

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

001

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: ML-46112	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: National Fuel Corporation				9. WELL NAME and NUMBER: State #21-10	
3. ADDRESS OF OPERATOR: 7720 E. Belleview, B-300 CITY Englewood STATE Co ZIP 80111				10. FIELD AND POOL, OR WILDCAT: Horsepoint	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 236' FNL, 2590' FWL, Sec. 10 - T10S - R23E 4366323 39.43687 440615 - 109.36611				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E	
AT PROPOSED PRODUCING ZONE: Same					
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 50 Miles NW of Mack Colo.				12. COUNTY: Grand	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2690'		16. NUMBER OF ACRES IN LEASE: 2079.02 acres		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 320 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) None		19. PROPOSED DEPTH: 8,392		20. BOND DESCRIPTION: Statewide Dring. Bond #04127314	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 8010' GR		22. APPROXIMATE DATE WORK WILL START: 6/15/2002		23. ESTIMATED DURATION: 30 Days to Drill and Complete	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
13 3/8"	10 3/4", J-55, 45.50 lb/ft	325	Class G Regular, 130 sacks, 1.15 cu ft/sk, 118lb/cu ft
8 3/4"	7", J-55, 23 lb/ft	4,721	50/50 Pozmix, 615 sacks, 1.16 cu ft/sk, 113lb/cu ft
6 1/4"	4 1/2", N-80, 11.6 lb/ft	8,392	Thixotropic, 140 sacks, 1.06 cu ft/sk, 117lb/cu ft

**ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER     | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN                                   |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Andrew W. Busch

TITLE Vice President of Operations

SIGNATURE Andrew W. Busch

DATE 4/28/2002

(This space for State use only)

API NUMBER ASSIGNED: 43-019-31390

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 06-12-02

By: [Signature]

**RECEIVED**

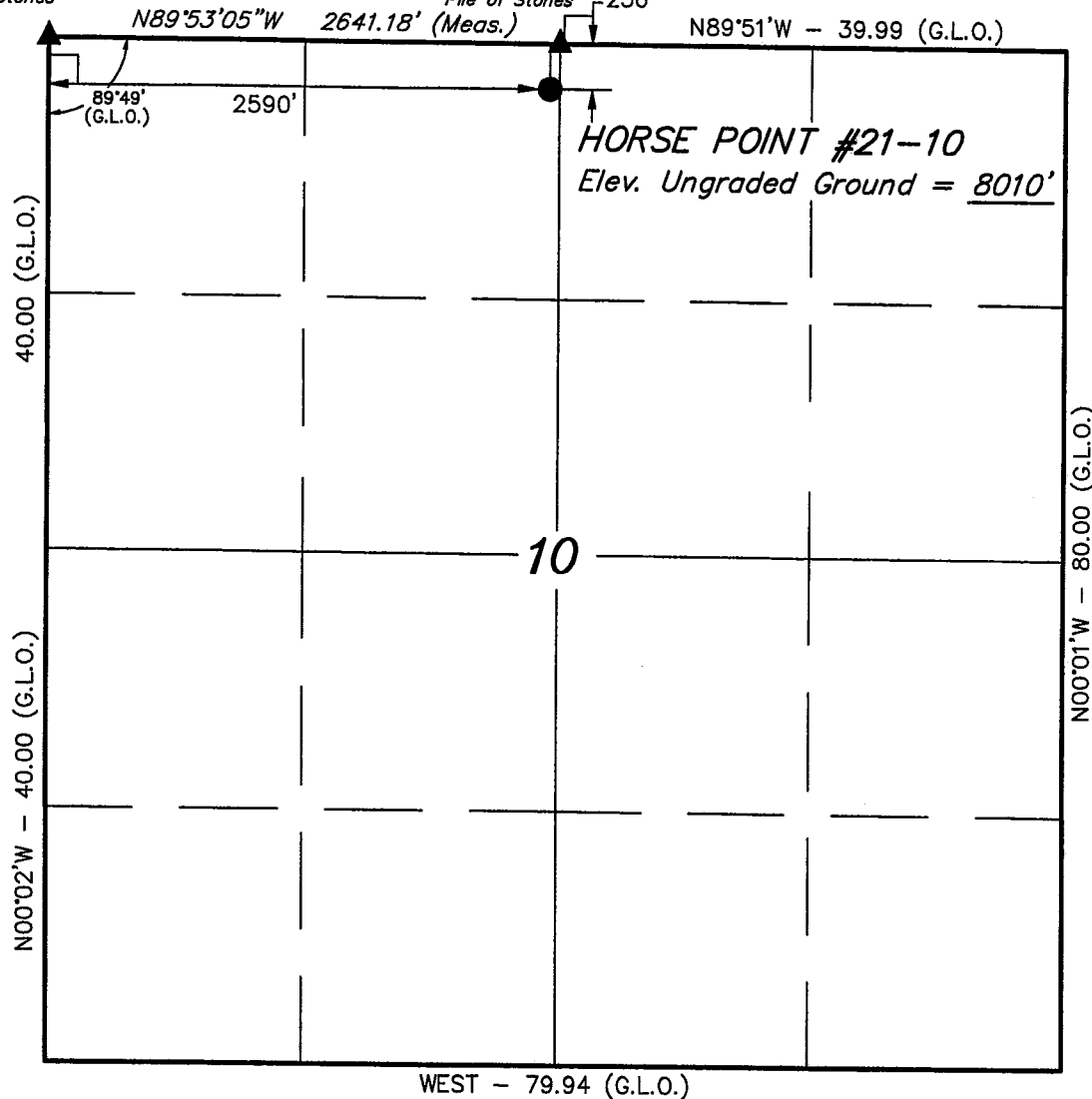
MAY 03 2002

DIVISION OF  
OIL, GAS AND MINING

**T16S, R23E, S.L.B.&M.**

1922 Brass  
Cap 1.1' High,  
Pile of Stones

1922 Brass  
Cap 0.6' High,  
Pile of Stones



**BASIS OF BEARINGS**

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°26'13.10" (39.436972)

LONGITUDE = 109°22'00.25" (109.366736)

**LEGEND:**

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

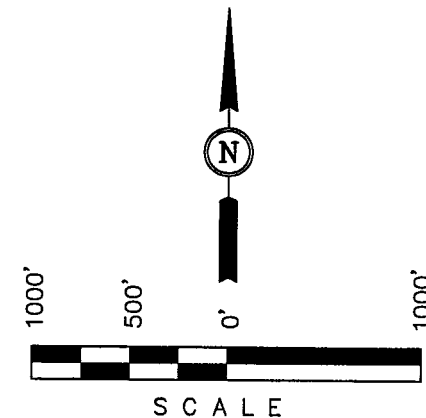
▲ = SECTION CORNERS LOCATED.

**NATIONAL FUEL CORPORATION**

Well location, HORSE POINT #21-10, located as shown in the NE 1/4 NW 1/4 of Section 10, T16S, R23E, S.L.B.&M. Grand County, Utah.

**BASIS OF ELEVATION**

SPOT ELEVATION ON A HILL TOP IN THE NW 1/4 OF SECTION 32, T16S, R23E, S.L.B.&M. TAKEN FROM THE PR SPRING QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7777 FEET.



**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Robert H. Key*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

**UTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-22-02	DATE DRAWN: 04-23-02
PARTY G.S. K.K. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE NATIONAL FUEL CORPORATION	

002

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/03/2002

API NO. ASSIGNED: 43-019-31390

WELL NAME: STATE 21-10

OPERATOR: NATIONAL FUEL ( N8060 )

CONTACT: ANDREW BUSCH

PHONE NUMBER: 303-220-7772

PROPOSED LOCATION:

NENW 10 160S 230E

SURFACE: 0236 FNL 2590 FWL

BOTTOM: 0236 FNL 2590 FWL

GRAND

HORSE POINT ( 210 )

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46112 *DM*

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MRSN

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>DKD</i>	6/7/02
Geology		
Surface		

LATITUDE: 39.43687

LONGITUDE: -109.3661

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[3] Fee[]  
(No. 04127314 )
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit  
(No. 49-123 )
- ☒ RDCC Review (Y/N)  
(Date: )
- ☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

\_\_\_ R649-2-3.

Unit \_\_\_

\_\_\_ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: *149-23 (320')*

Eff Date: *12-15-83*

Siting: *100' fr drilling unit boundary  
250' fr another well*

\_\_\_ R649-3-11. Directional Drill

COMMENTS: *Need Permit (52302)*

STIPULATIONS: *1- Statement of basis*

*2- Surface and Intermediate casing cement steps*



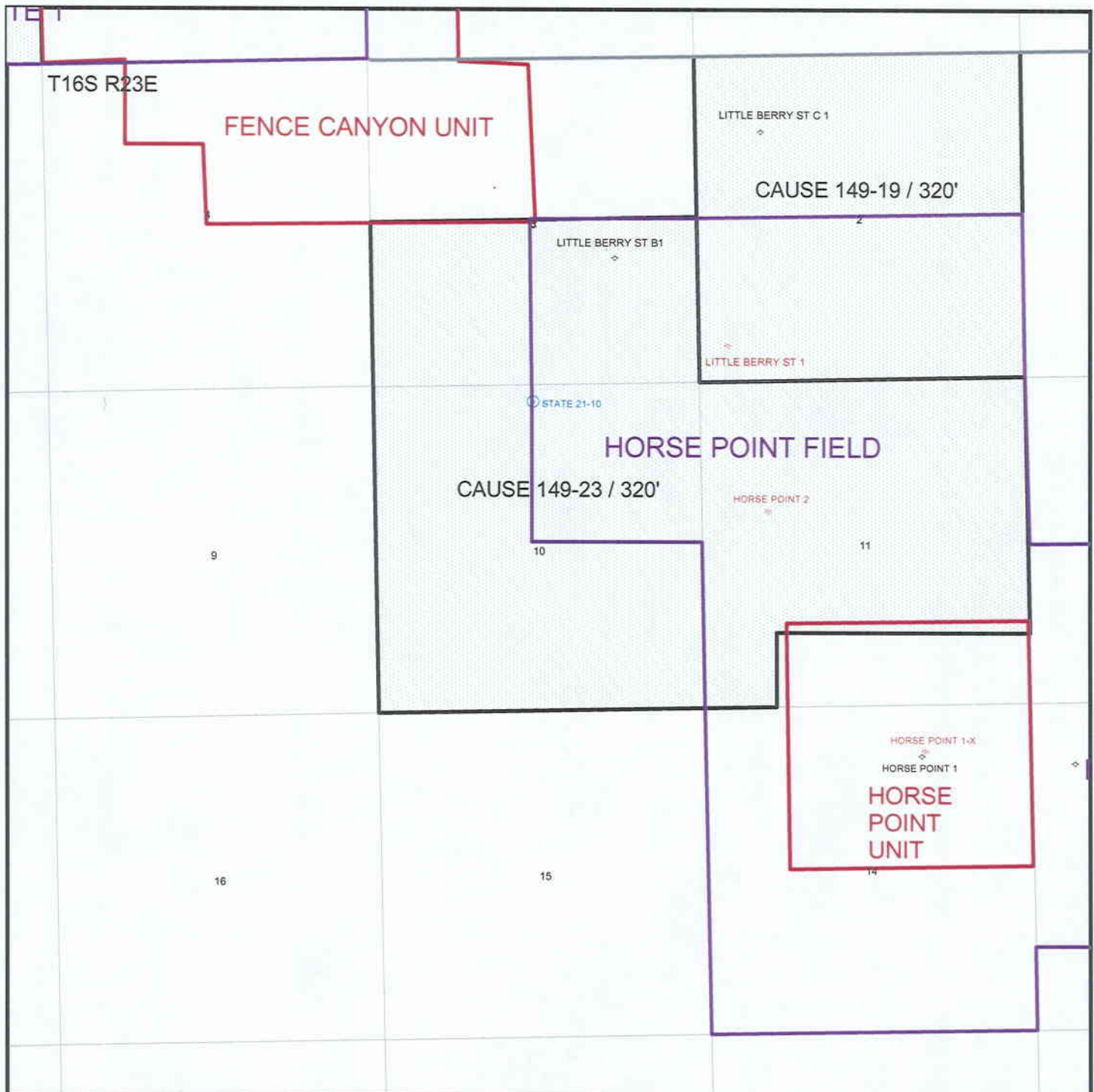
Utah Oil Gas and Mining

OPERATOR: NATIONAL FUEL CORP (N8060)

SEC. 10, T16S, R23E

FIELD: HORSE POINT (210)

COUNTY: GRAND CAUSE: 149-23 / 320'





AREA CODE 303  
PHONE 220-7772

FAX  
220-7773

## National Fuel Corporation

7720 EAST BELLEVIEW AVENUE, #B-300  
ENGLEWOOD, COLORADO 80111



May 16, 2002

Ms. Diana Mason  
Utah Division of Oil, Gas, and Mining  
P.O. Box 145801  
Salt Lake City, UT 84114

Re: Request for Exception to Spacing Order  
NFC State #21-10 Well  
236' FNL, 2590' FWL Sec. 10-T16S-R23E

Dear Ms. Mason:

The location for the captioned well was chosen because it is the best spot that meets our geological and surface constraints. It would result in the least surface disturbance compared to other reasonable alternatives. The location is just east of an existing service road that runs northwesterly along a ridge that is bounded on the northeast and southwest sides by sharp stream drainages.

There is a flat area at this location that allows construction of the well site with minimal surface disturbance, but if the well were located farther southeast (away from the section line), the location would fall on a steep hillside where significant cut and fill would be required.

### National Fuel Corporation Mineral Lease Description

ML-46112

Sec 3: T16S, 23E – Lots 1,2, S/2 NW/4, S/2

Sec 9: T16S, 23E – All

Sec 10: T16S, 23E – All

The closest land not covered by this lease are as follows: NW/4 Sec. 3 ( approx 2880' from the proposed well site), and SW/4 Sec. 2 and NW/4 Sec. 11 ( both approx 2690' from proposed well site. The nearest producing well is about 3,000' to the east (SW SW Sec. 2-T16S-R23E). The nearest lease line is 2,690' east. Therefore no written notice needs to be given to other lease holders in the area. For these reasons, National Fuel requests administrative relief from statewide rules, and we also request that there be no requirement for a directional survey.

Yours truly,  
NATIONAL FUEL CORPORATION

*Brenda K Mayland*  
for/ J. C. Thompson, President

**RECEIVED**

MAY 20 2002

DIVISION OF  
OIL, GAS AND MINING

4/18/02

State of Utah, Division of Oil, Gas, and Mining  
Application for Permit to Drill

Company: National Fuel Corporation Well No. State #21-10

Location: Sec. 10, T. 16S, R. 23E, Lease No. ML-46112

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

Surface Formation and Estimated Formation Tops: _____	
Wasatch	@surface
Mesaverde	
Buck Tounge	4181'
Castlegate	4421'
Mancos	4621'
Mancos "B"	5116'
Emery	
Frontier	7816'
Dakota Silt	8088'
Dakota	8127'
Cedar Mtn.	8274'
Morrison	8317'
TD	8392'

1. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

Depth/Formation

Expected Oil Zones: None

Expected Gas Zones: Castlegate, Dakota Silt, Dakota, Cedar Mtn, Morrison

Expected Water Zones: None

Expected Mineral Zones: None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to Utah. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment – See attached schematic

3. Casing Program and Auxiliary Equipment – include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

Surface csg.-	New	10 3/4" 41.5# , J-55, ST&C,	325' to Surface
Intermediate csg.-	New	7" , 23# , J-55, ST&C,	4721' to Surface
Production csg.-	New	4 1/2" , 11.6# , N-80,ST&C	8392' to Surface

4. Cement – include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

10 3/4" csg. – 130sx Regular Class G cement, 1.15 cu ft/sk, 118#/cu ft, 330' to surface

7" csg. - 615 sx 50:50 POZMIX, 2% Si Ca C12, 25sx D-29 Celloflake, 1.16 cu ft/sk, 113#/cu ft, 4721' to surface.

4 1/2" csg. – 140 sx thixotropic, 1.06 cu ft/sk, 117#/cu ft, 8392' to 7000'.

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

5. Mud Program and Circulating Medium – Anticipate drilling surface with air. An aerated mud system will be used to drill the intermediate. Production hole will be drilled with air. Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

6. Coring, Logging and Testing Program: No DST or core anticipated. At TD the hole will be displaced with 3% KCL system for logging. Logging program: GR-CNL-FDC & SP-GR-DIL open hole logs will be run from TD to surface in 2 runs, in upper hole before intermediate csg is set, and in the lower section of hole before production csg is set. All good gas and/or oil shows will be tested when perforated through production csg.

Initial opening of drill stem test tools will be restricted to daylight hours.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards – include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones, abnormal temperature zones and possible hydrogen sulfide bearing zones: No abnormal conditions, pressures, temperatures or hazards are anticipated and are not common in this area. No H2S anticipated and does not exist in other wells in the area. Based on information from other wells in the area, max BHP not expected to exceed 2500#.

8. Any Other Aspects of this Proposal that should be Addressed:

Anticipated time frames for: Construction and Drilling - 20 to 25 days

Completion and Testing - 10 to 15 days

B. SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction. Surface disturbance and vehicular travel will be limited to the approved location and access road.

A-3. The Operator's Minimum Specifications for Pressure Control

Attached to EXHIBIT TO A-3 are schematic diagrams of the blowout preventer equipment. A 2,000# blowout preventer will be installed, used, maintained and tested in accordance with all requirements specified in Section III.A-1 of Onshore Order 2, except where variations are presented in this application.

Minimum standards outlined in Onshore Order 2 will be met for BOP, choke, manifold, accumulator, and locking devices. Hydraulic controls will be located on the rig floor. Manual controls will be handwheels. Remote control for the accumulator will be 100'-200' from the drill hole. The kill line will not be used as a fill-up line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) shall be pressure tested to 100% of their rated working pressure for a period of 10 minutes. Annular preventers shall be tested to 50% of their rated working pressure for a period of 10 minutes. Tests will be run after initial installation, prior to drilling out of each casing shoe and after use under pressure, or a minimum of once every 30 days. Pipe rams will be operationally checked each 24-hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOPE will be noted on daily drilling reports.

\* see Amended Sundry with Procedures & Diagrams Dated 5/27/2002  
Received June 3, 2002. (3000# BOP) DIED 6/7/02

1. Existing Roads:

- a. Proposed route to location (submit a map depicting access and well location).  
See attached maps and plats from ULES.
- b. Location of proposed well in relation to town or other reference point: See next page.
- c. Contact the County Road Department for use of county roads.
- d. Plans for improvement and/or maintenance of existing roads: Existing road on the west side of the location will be re-routed around the reserve pit section of the location. Topography on the east side of the location is very steep. Re-routing the road will reduce surface disturbance compared to moving the location further east.
- e. Other: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Planned Access Roads:

- a. Location (centerline): See on map attached to survey plat.
- b. Length of new access to be constructed: 150'
- c. Length of existing roads to be upgraded: NA
- d. Maximum total disturbed width: 30ft
- e. Maximum travel surface width: 18ft
- f. Maximum grades: 10% or less
- g. Turnouts: As needed.
- h. Surface materials: No off-site materials anticipated.
- i. Drainage (crowning, ditching, culverts, etc.): No drainage crossings will be needed for access route. Access road will be crowned and drainage ditches cut as necessary to provide adequate drainage.
- j. Cattleguards: None

- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a State right-of-way is required: None

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the Area Manager in advance.

Location of Existing Wells – on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each.

Beartooth Oil & Gas – Little Berry St. #1 – SWSW, S2 – T16S – R23E, producing nat gas

Natl. Fuel Corp. - Federal Horse Point #2- SWNW, S11 – T16S – R23E, producing nat gas

TXO Production - Little Berry State "B" #1, P&A, Morrison test 1984.

3. Location of Production Facilities:

- a. On-site facilities: Wellhead, meter facilities, separator, dehydrator, production tank and fenced emergency water disposal pit. Details of needed facilities will be submitted if well is completed for production.

- b. Off-site facilities: None

- c. Pipelines: If gas production is established, a new gathering line will be laid along existing road to existing Horse Point field gathering system. See attached pipeline map.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months on installation.

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit.

4. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Water for drilling and completion operations will be purchased from rancher Bert Delambert and taken from a pond on his property located in Main Canyon in the center of the E ½, E ½ Section 31-T15S-R23E, Uintah Co., Utah. Water Right #49-123, App. #T-14298, Cert. #1504. See attached map showing water source location.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

5. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Native materials. All on site.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary, but no later than at the completion of drilling operations.

Sewage will be contained in approved containers and disposed of at an approved disposal site.

6. Ancillary Facilities: None required. Anticipate up to 3 living trailers for rig personnel during drilling and completion.

7. Well Site Layout – depict the pit, rig, cut and fill, topsoil, etc., on a plat with a scale of at least 1" = 50'.

The blooie line will be located at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Blooie line will be directed into the base of the dirt embankment surrounding the blooie pit.

8. Plans for Restoration of the Surface:

The top 5 inches of topsoil material will be removed from the location and stockpiled separately on: The north end of the location. See survey plat.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept 1st and Dec 31st, or at a time specified by the State of Utah. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: As specified by State.

The abandonment marker will be one of the following, as specified by the State:

- 1) at restored ground level, or
- 2) below ground level.

In any case, the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

9. Surface and Mineral Ownership: State surface and mineral ownership.

10. Other Information:

- a. Archeological Concerns: A cultural and archaeological survey will be performed on the new well site and access road to location. Results will be forwarded to the State of Utah for review.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:



- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: None
- c. Wildlife Seasonal Restrictions (yes/no): As specified by State of Utah.
- d. Off Location Geophysical Testing: None
- e. Drainage crossings that require additional State or Federal approval: None

11. Lessee's or Operator's Representative and Certification

Representative:

Name: Andrew W. Busch, Fruita Office (970)858-7490, Cell (970) 260-8128

Title: V.P. of Operations

Address: 7720 E. Bellview Avenue, #B-300  
Englewood, Co. 80111

Phone Number: (303)220-7772

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by National Fuel Corporation and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Utah Statewide Blanket Drilling Bond no. 04127314.

Andrew W. Busch  
Signature

Vice President of Operations  
Title

April 30<sup>th</sup>, 2002  
Date

## COVER PAGE

Must Accompany All Project Reports  
Submitted to Utah SHPO

Project Name: *National Fuel Corp.* **Horse Point #21-10 Well Location** State Proj. No. **U02-GB-0234s**  
Report Date: **5/10/2002** *43-019-31390* County(ies): **Grand**  
Principal Investigator: **Carl E. Conner** Field Supervisor(s): **Carl E. Conner**  
Records search completed at: **Preservation Office UDSH**  
Record search date(s): **5/8/02**  
Acreage Surveyed: Intensive: **10 acres** Recon/Intuitive: **0 acres**  
7.5' Series USGS Map Reference(s): **PR Spring 1984**

Sites Reported	Count	Smithsonian Site Numbers
<b>Archaeological Sites</b>	<b>0</b>	
Revisits (no inventory form update)		
Revisits (updated IMACS site inventory form attached)	<b>0</b>	
New recordings (IMACS site inventory form attached)	<b>0</b>	
Total Count of Archaeological Sites	<b>0</b>	
<b>Historic Structures</b> (USHS 106 site info form attached)	<b>0</b>	
<b>Total National Register Eligible Sites</b>	<b>0</b>	

### -----Checklist of Required Items-----

1. X Copy of the Final Report
2. X Copy of 7.5' Series USGS Map with Surveyed/Excavated Area Clearly Identified.
3. 0 Completed IMACS Site Inventory Forms, Including  
\_\_\_\_ Parts A and B or C, \_\_\_\_ The IMACS Encoding Form,  
\_\_\_\_ Site Sketch Map, \_\_\_\_ Photographs  
\_\_\_\_ Copy of the appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labeled with the Smithsonian Site Number
4. X Completed "Cover Sheet" Accompanying Final Report and Survey Materials (Please make certain all of your checked items are attached.)

**RECEIVED**

**MAY 20 2002**

**DIVISION OF  
OIL, GAS AND MINING**

**Class III Cultural Resource Inventory Report  
on the  
Proposed Horse Point #21-10 Well Location  
on State Lands in Grand County, Utah,  
for  
National Fuel Corporation**

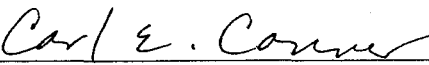
Declaration of Negative Findings

GRI Project No. 2211

10 May 2002

Prepared by

Grand River Institute  
P.O. Box 3543  
Grand Junction, Colorado 81502  
UDSH Project Authorization No. U02-GB-0234s

  
\_\_\_\_\_  
Carl E. Conner, Principal Investigator

Submitted to

Preservation Office  
Utah Division of State History  
300 Rio Grande  
Salt Lake City, Utah 84101

## **Abstract**

Grand River Institute conducted a Class III cultural resources inventory for the proposed Horse Point #21-10 well location in Grand County, Utah, for National Fuel Corporation under Utah Division of State History (UDSH) Project Authorization No. U02-GB-0234s. This work was done to meet requirements of State law that protect cultural resources. A files search conducted through the Preservation Office UDSH on 8 May 2002 indicated no sites were previously recorded in the study area. Field work was performed on 9 May. A total of about 10 acres was inspected. No cultural or paleontological resources were encountered and clearance is recommended.

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## **Introduction**

At the request of National Fuel Corporation, a Class III cultural resource inventory was conducted for the Horse Point #21-10 well location in Grand County, Utah, under Utah Division of State History (UDSH) Project Authorization No. U02-GB-0234s. The files search, survey and report were prepared by Carl E. Conner (Principal Investigator) and Barbara J. Davenport of Grand River Institute. A files search conducted through the Preservation Office UDSH on 8 May 2002 indicated no sites were previously recorded and no cultural resources surveys were completed within the study area. Field work was performed on 9 May.

The survey was done to meet requirements of State law concerned with the identification, evaluation, and protection of fragile, non-renewable evidences of human activity, occupation and endeavor reflected in districts, sites, structures, artifacts, objects, ruins, works of art, architecture, and natural features that were of importance in human events. Such resources tend to be localized and highly sensitive to disturbance.

## **Location of Project Area**

The study area lies in the Roan Plateau in Grand County, Utah. The well unit and access route are located in T. 16 S., R. 23 E., Section 10; SLBM (Figure1).

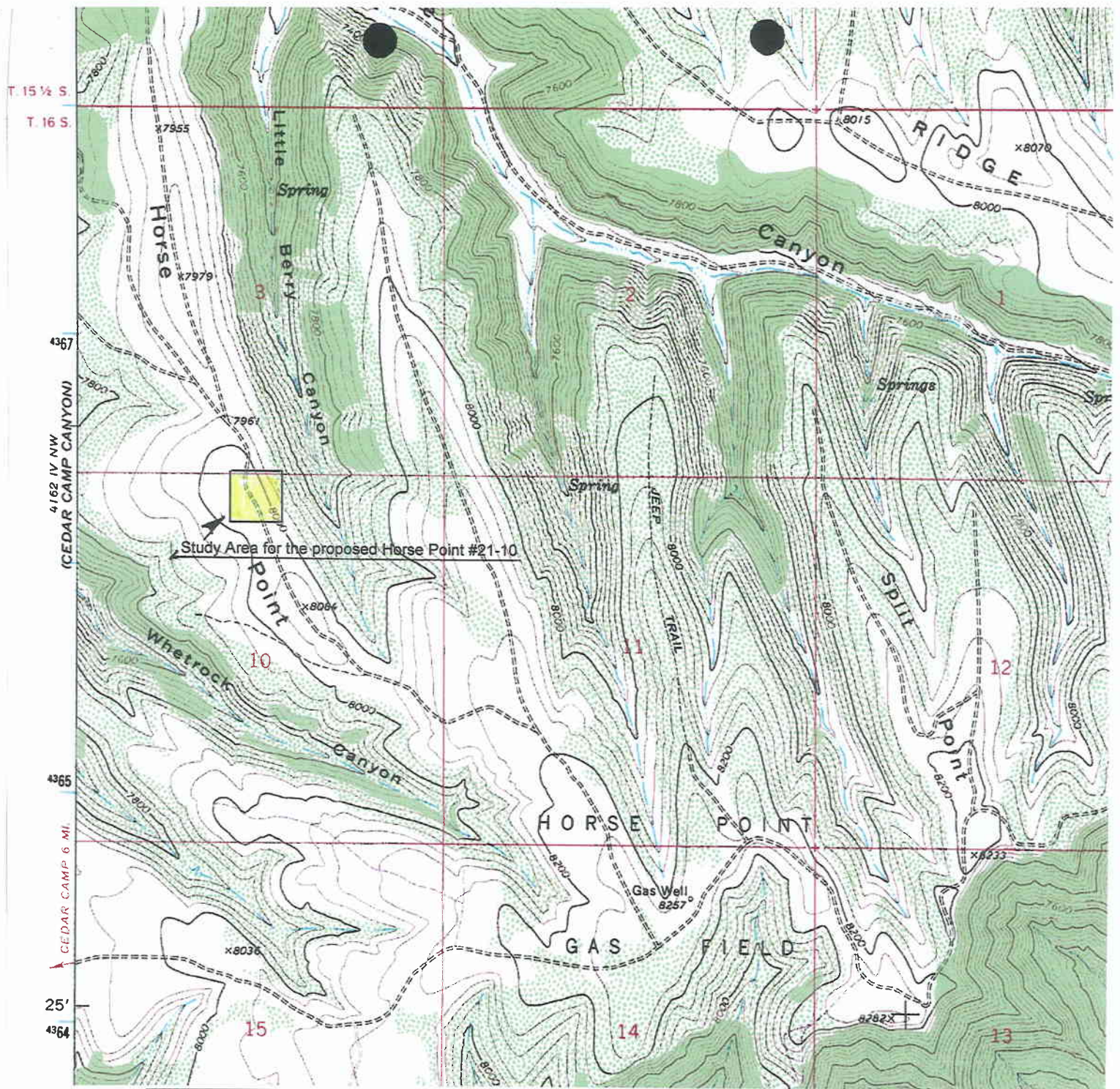
## **Environment**

The project area is within the major geologic subdivision of the Colorado Plateau known as the Uinta Basin Section. In Utah, this section extends from the Uinta Mountains on the north to the Book Cliffs on the south. It is a broad downwarp into which Quaternary- and Tertiary-age deposits were made from the surrounding mountains which include Holocene and Pleistocene pediment deposits, and Eocene-age fluvial and lacustrine sedimentary rocks (Rigby 1976:xi). Physiographically, the basin includes the Uinta basin in the northern portion and the Book Cliffs/Roan Plateau in the south portion. The study area occurs in the latter and the Wasatch Formation forms the bedrock. Rocky, sandy loams formed in residuum cover the bedrock on the ridgetop.

Elevation in the project area averages 8000 feet. The terrain is characterized as a narrow ridgetop covered in Transitional Zone brush, sagebrush and grasses, with an occasional juniper or pinyon. Regional faunal inhabitants include deer, antelope, elk, black bear, coyote, mountain lion, cottontails, jack rabbits, and various raptors.

A cool, mid-latitude steppe climate prevails. Annual precipitation of this elevation range is between 14 and 18 inches. Temperatures can reach 95°F in mid-summer and -20°F





PR Spring Quadrangle / Utah-Grand County / Photorevised 1984  
 USGS 7.5' Series (topographic) / Scale 1:24000  
 Contour interval 40 feet  
 T. 16 S., R. 23 E., S.L.B.M.

Figure 1. Project location map for the Class III cultural resources inventory for the proposed Horse Point #21-10 well location in Grand County, Utah, for National Fuel Corporation. Area surveyed is highlighted. [GRI Project No. 2211, 5/10/02, U02-GB-0234s]



in January. Paleoenvironmental data are scant, but it is generally agreed that gross climatic conditions have remained fairly constant over the last 12,000 years. However, changes in effective moisture, and cooling-warming trends probably affected the prehistoric occupation of the region.

## **Files Search**

Regional archaeological studies suggest nearly continuous human occupation of northeastern Utah for the past 12,000 years. Evidence of the Paleoindian Tradition, the Archaic Tradition, Fremont Culture, and Protohistoric/Historic Utes has been found. Historic records suggest occupation or use by EuroAmerican trappers, settlers, miners, and ranchers as well. Overviews of the prehistory and history of the region are provided in the Utah BLM Cultural Resource Series No. 5, Sample Inventories of Oil and Gas Fields in Eastern Utah (Nickens and Larralde 1980).

A files search conducted through the Preservation Office UDSH on 8 May 2002 indicated no sites were previously recorded in the study area. One well location with related access road and pipeline route was previously surveyed within 0.5 mile of the proposed new well location. No cultural resources were reported (see Utah Project No. U01-AY-689bs, Truesdale 2001).

## **Study Objectives**

The purpose of the study was to identify and record all cultural resources within the area of potential impact and to assess their significance and eligibility to the National Register of Historic Places (NRHP). Paleontological resources were also considered in the inspection. However, a final evaluation of those resources must be provided by a paleontologist permitted by the State of Utah.

## **Field Methods**

A Class III, 100% pedestrian, cultural resources survey of the proposed well location was made by walking a series of concentric circles around the flagged center to a diameter of 750 feet. The related access route is existing and was not inspected. A total of about 10 acres was intensively surveyed.

Cultural resources were sought as surface exposures and were characterized as sites or isolated finds. Sites were defined by the presence of six or more artifacts and/or significant features indicative of patterned human activity. Isolated finds were defined by the presence of a single artifact or several artifacts, which apparently represent a single event

(e.g., a single core reduction, or small historic can cluster), and is surficial in nature. Artifacts were to be pin-flagged to establish site boundaries, sketch maps were to be drawn (using a Brunton and pacing, or a Garmin GPS unit), and photographs were to be taken. Cultural resources encountered were to be recorded to standards set by the Preservation Office of the Utah Division of State History. None were found.

### **Study Findings and Management Recommendations**

As expected, no cultural or paleontological resources were encountered during the survey. Accordingly, cultural resource clearance is recommended.

### **References**

Nickens, Paul R. and Signa L. Larralde

1980 Sample Inventories of Oil and Gas Fields in Eastern Utah. Utah BLM Cultural Resource Series No. 5. Bureau of Land Management, Salt Lake City.

Rigby, J. Keith

1976 Northern Colorado Plateau. Kendall/Hunt Publishing Company. Dubuque.

Truesdale, James A.

2001 CRI for the Horse Point #2-10 well location, related access and pipeline route for Enron Oil and Gas Resources Corp. Ms on file, Utah Division of State History Preservation Office, Salt Lake City.

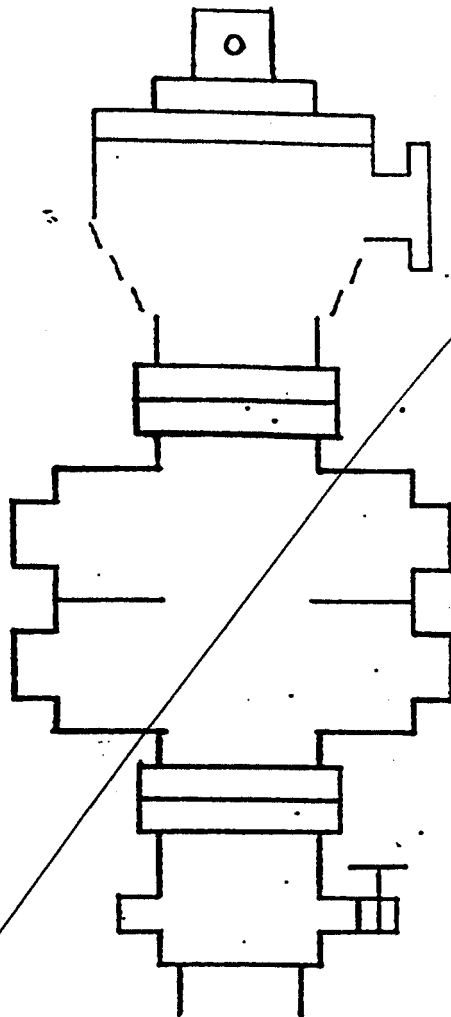
# NATIONAL FUEL CORPORATION

## HORSE POINT #21-10

### SECTION 10, T16S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION ON THE SEEP RIDGE ROAD APPROXIMATELY 55.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 6.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 150' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 93.7 MILES.

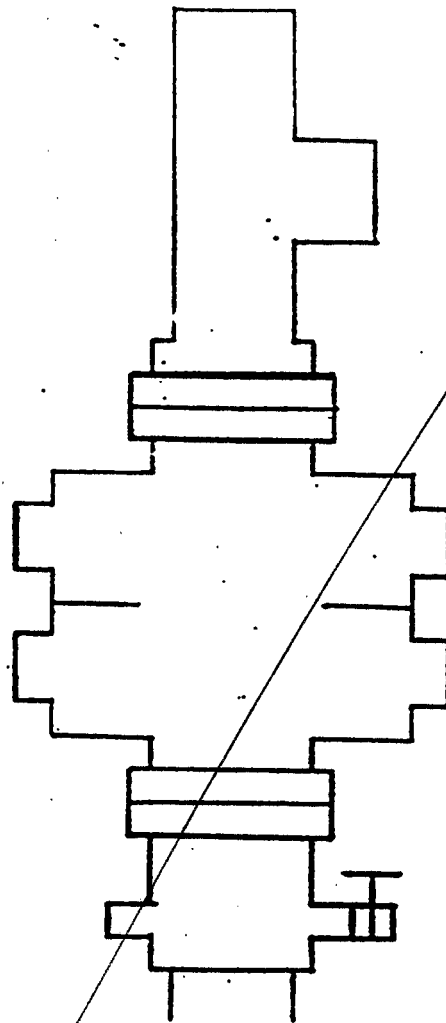


*Amended 6/3/02  
DGD*

11" 2000#

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER

ROTATING HEAD



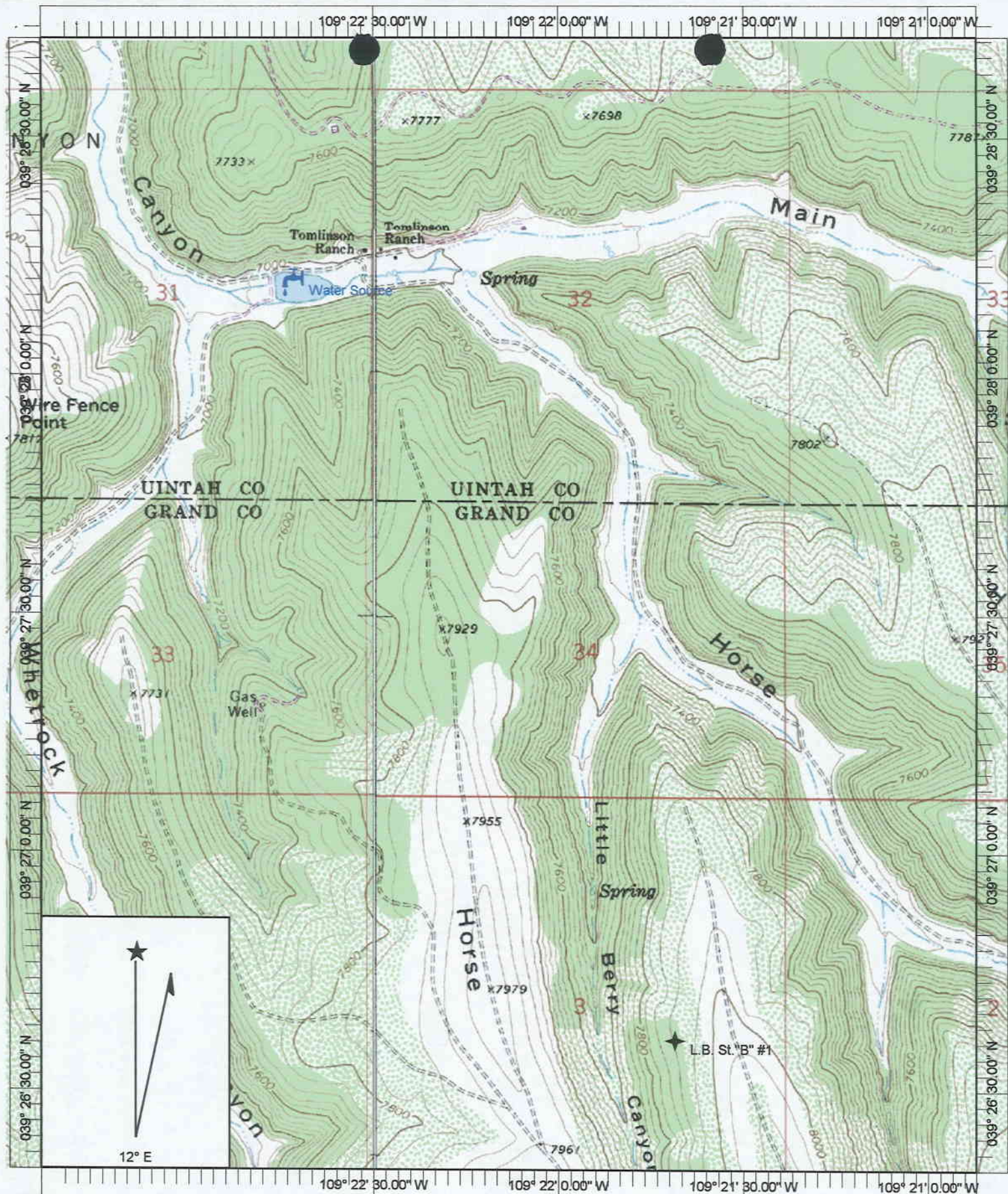
*Amended 6/3/02  
DRD*

11" 2000#

DRILLING NIPPLE

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER





Name: P R SPRING  
 Date: 2/5/2002  
 Scale: 1 inch equals 1600 feet

Location: 039° 27' 31.5" N 109° 22' 08.0" W  
 Caption: Water Source for Drilling Operations



# NATIONAL FUEL CORPORATION

## HORSE POINT #21-10

LOCATED IN UTAH COUNTY, UTAH  
SECTION 10, T16S, R23E, S.L.B.&M.

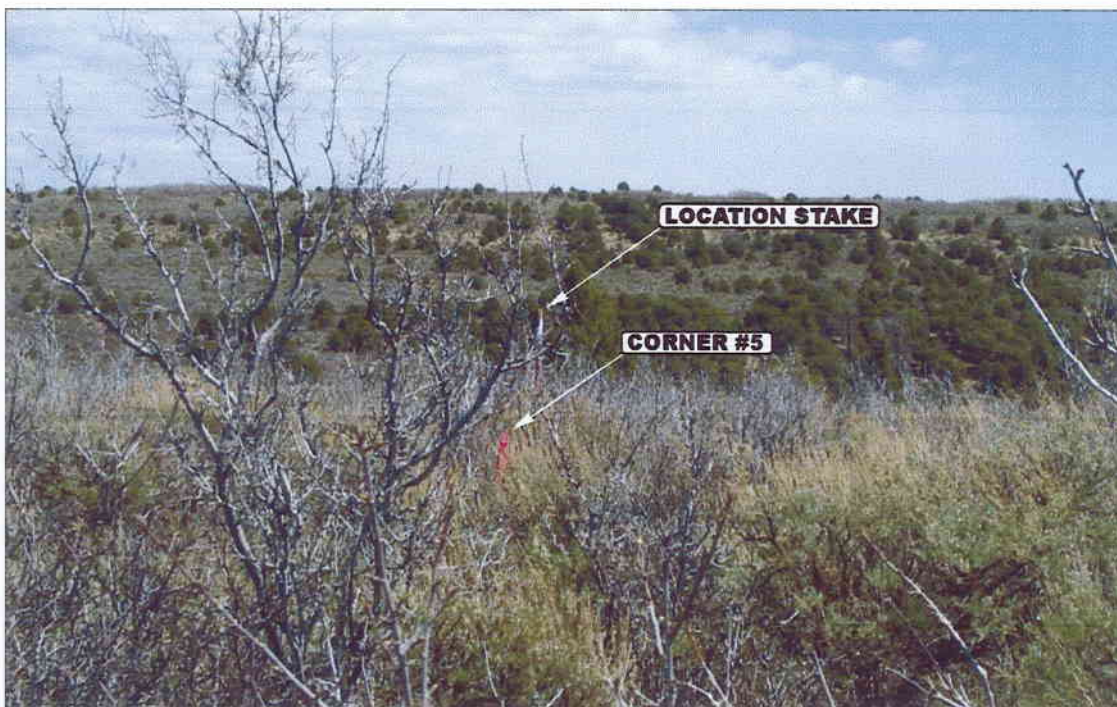


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

### LOCATION PHOTOS

4 23 02  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

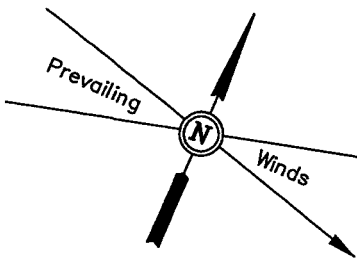
DRAWN BY: P.M.

REVISED: 00-00-00

# NATIONAL FUEL CORPORATION

## LOCATION LAYOUT FOR

HORSE POINT #21-10  
SECTION 10, T16S, R23E, S.L.B.&M.  
236' FNL 2590' FWL

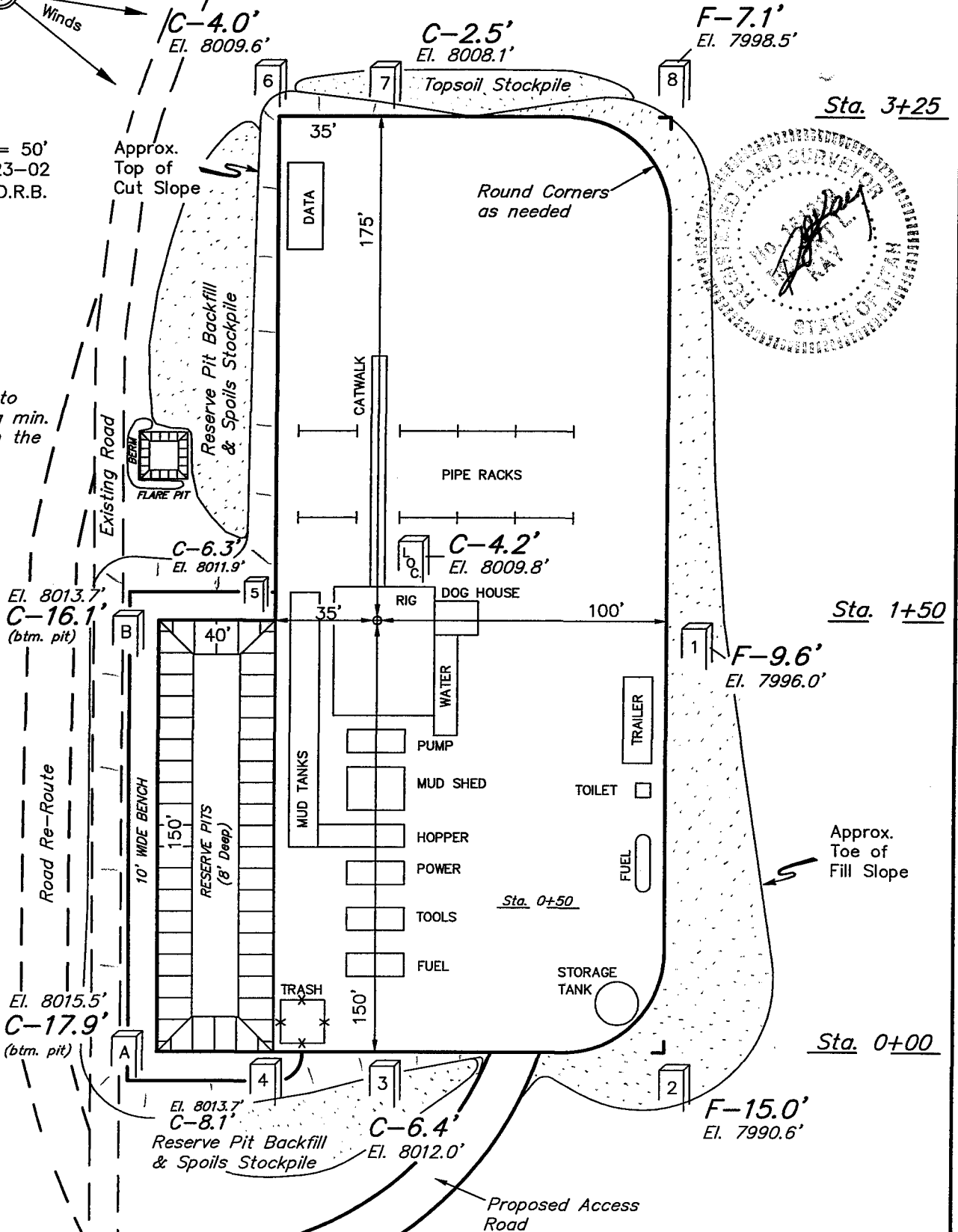


SCALE: 1" = 50'  
DATE: 04-23-02  
Drawn By: D.R.B.

### NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

NOTE:  
Pit Capacity  
With 2' of  
Freeboard is  
± 3,640 Bbls.



Elev. Ungraded Ground at Location Stake = 8009.8'  
Elev. Graded Ground at Location Stake = 8005.6'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017



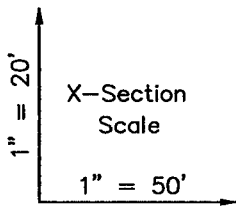
# NATIONAL FUEL CORPORATION

## TYPICAL CROSS SECTIONS FOR

HORSE POINT #21-10

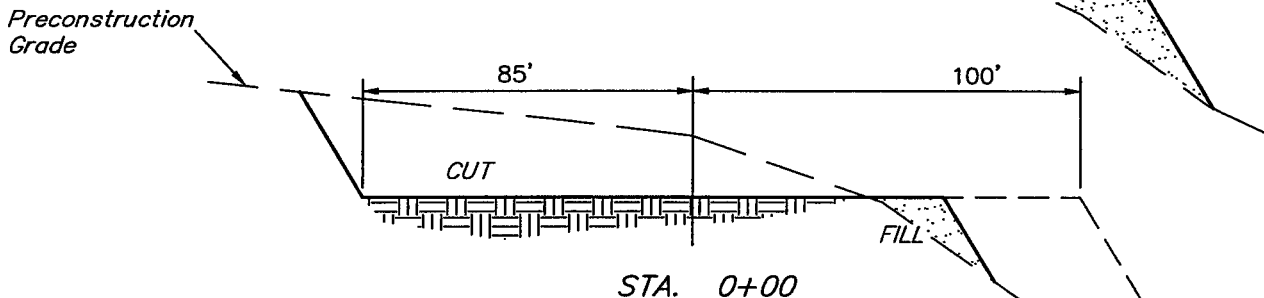
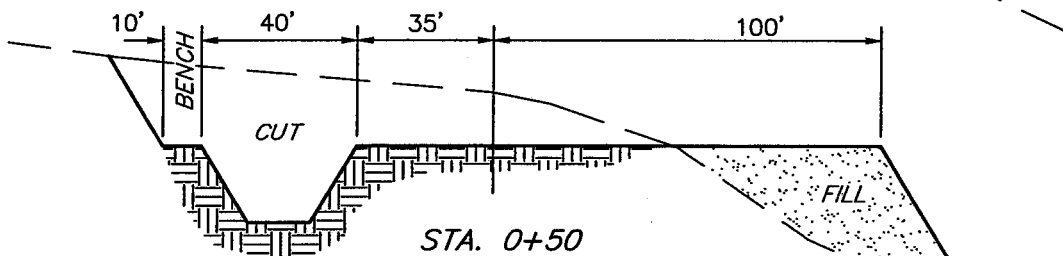
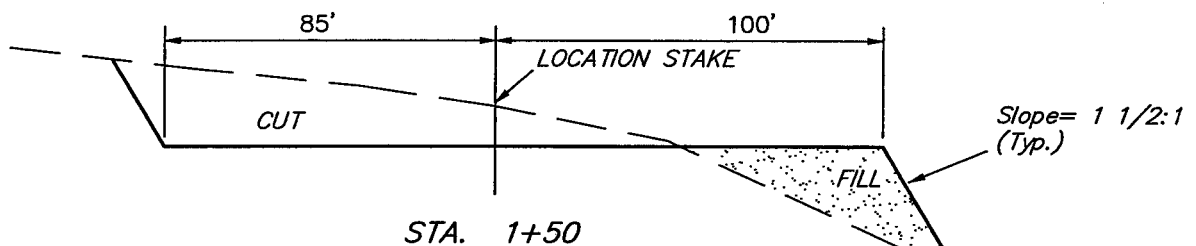
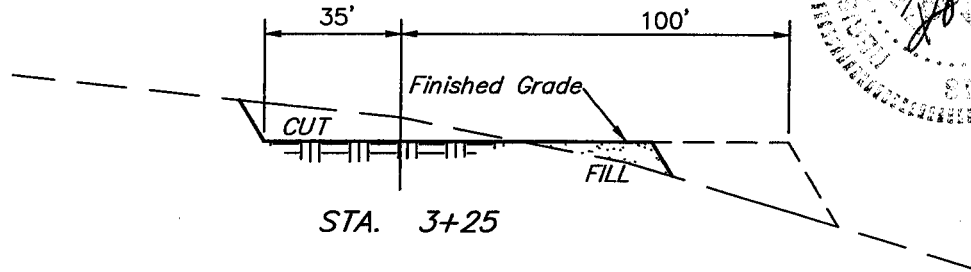
SECTION 10, T16S, R23E, S.L.B.&M.

236' FNL 2590' FWL



DATE: 04-23-02

Drawn By: D.R.B.



### APPROXIMATE YARDAGES

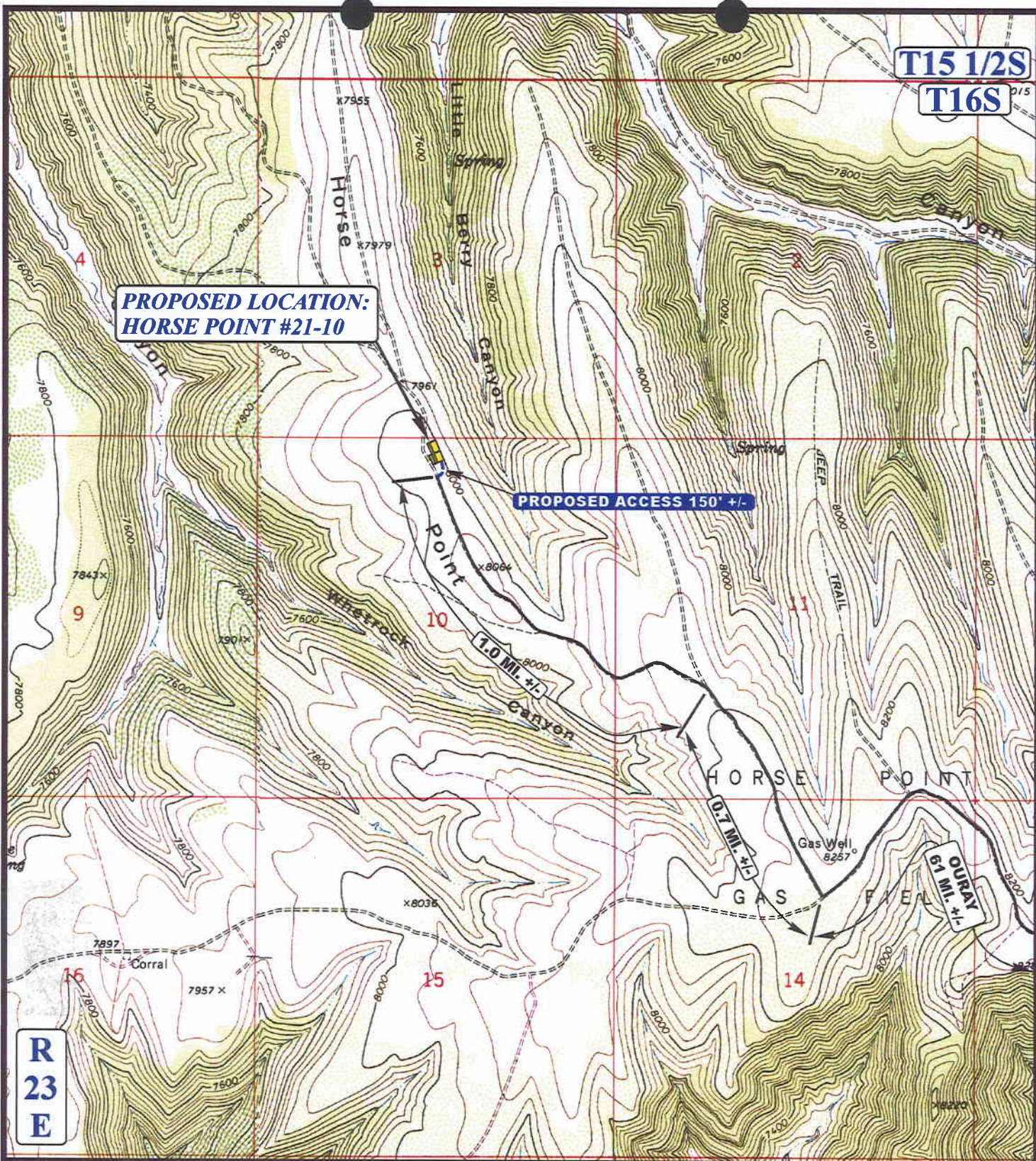
(6") Topsoil Stripping	=	970 Cu. Yds.
Remaining Location	=	6,890 Cu. Yds.
<b>TOTAL CUT</b>	<b>=</b>	<b>7,860 CU.YDS.</b>
<b>FILL</b>	<b>=</b>	<b>5,990 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,550 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,550 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017







# LEGEND:

PROPOSED ACCESS ROAD  
 EXISTING ROAD



## NATIONAL FUEL CORPORATION

**HORSE POINT #21-10**  
**SECTION 10, T16S, R23E, S.L.B.&M.**  
**236' FNL 2590' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

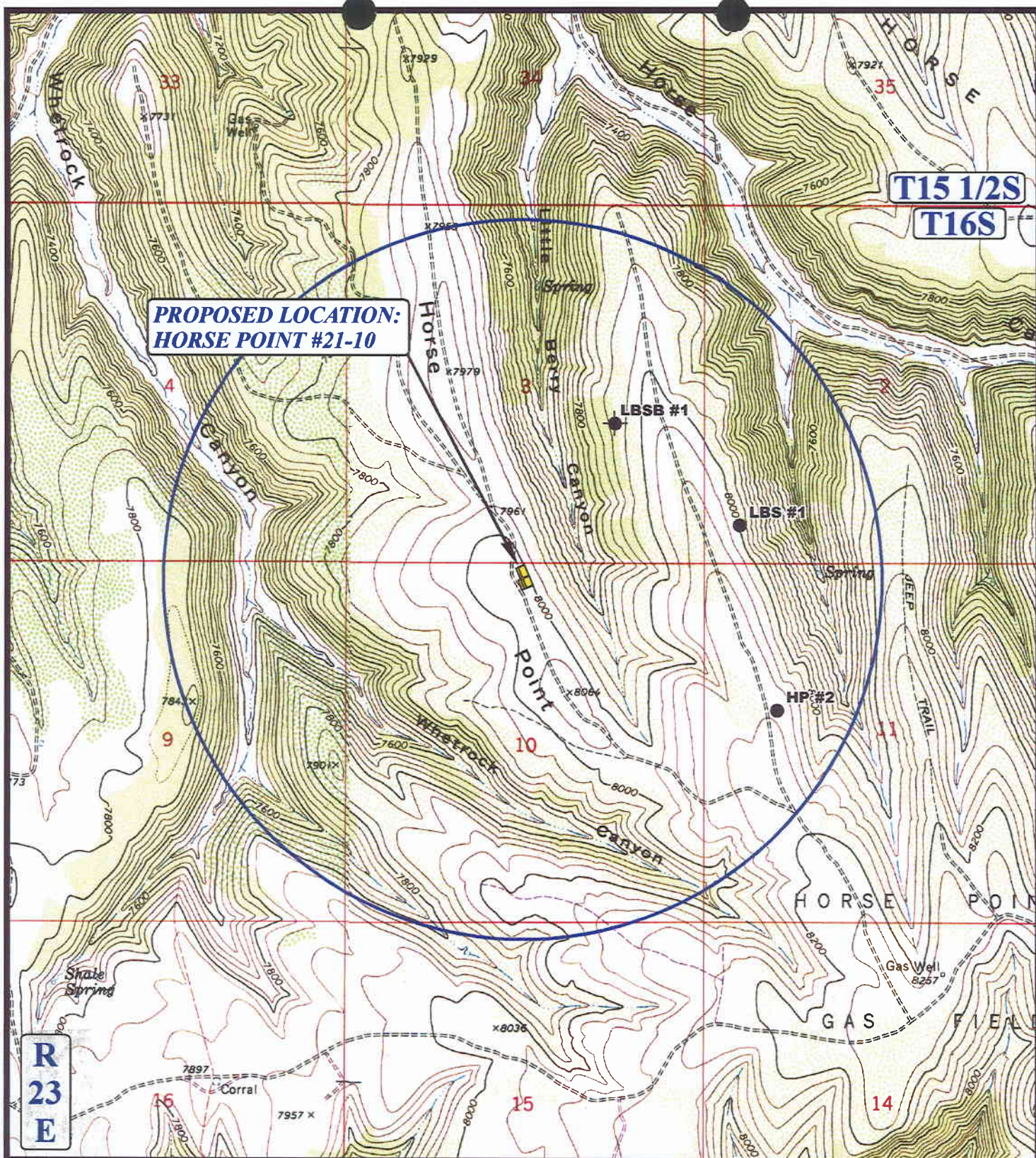
**TOPOGRAPHIC**  
**MAP**

**4 23 02**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

**B**  
 TOPO





# LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

## NATIONAL FUEL CORPORATION

**HORSE POINT #21-10**  
**SECTION 10, T16S, R23E, S.L.B.&M.**  
**236' FNL 2590' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813



**TOPOGRAPHIC**  
**MAP**

**4 23 02**  
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





Well name:	<b>05-02 National Fuel State 21-10</b>	
Operator:	<b>National Fuel Corporation</b>	
String type:	<b>Surface</b>	Project ID: 43-019-31390
Location:	<b>Grand County</b>	

**Design parameters:**
**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 70 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 300 ft

Cement top: 99 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP 145 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 284 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 4,721 ft  
Next mud weight: 8.600 ppg  
Next setting BHP: 2,109 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 325 ft  
Injection pressure: 325 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	325	10.75	45.50	J-55	ST&C	325	325	9.825	29.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	142	2090	14.74	145	3580	24.66	15	493	33.34 J

↓  
MASP=2920psi

Prepared by: Dustin K. Doucet  
Utah Dept. of Natural Resources

Phone: 801.538.5281  
FAX: 801.359.3940

Date: May 21, 2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 325 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	<b>05-02 National Fuel State 21-10</b>	
Operator:	<b>National Fuel Corporation</b>	
String type:	Intermediate	Project ID: 43-019-31390
Location:	Grand County	

**Design parameters:**
**Collapse**

Mud weight: 8.600 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 131 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 2,218 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.447 psi/ft  
Calculated BHP 2,109 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on air weight.  
Neutral point: 4,111 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,392 ft  
Next mud weight: 8.400 ppg  
Next setting BHP: 3,662 psi  
Fracture mud wt: 13,000 ppg  
Fracture depth: 4,721 ft  
Injection pressure 3,188 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4721	7	23.00	J-55	ST&C	4721	4721	6.25	218.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2109	3270	1.55	2109	4360	2.07	109	284	2.62 J

MA58 = 2920 psi

Prepared by: Dustin K. Doucet  
Utah Dept. of Natural Resources

Phone: 801.538.5281  
FAX: 801.359.3940

Date: May 21, 2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4721 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	<b>05-02 National Fuel State 21-10</b>	
Operator:	<b>National Fuel Corporation</b>	
String type:	<b>Production</b>	Project ID: 43-019-31390
Location:	<b>Grand County</b>	

**Design parameters:**
**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 182 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 368 ft

Cement top: 7,526 ft

**Burst**

Max anticipated surface pressure: 0 psi  
Internal gradient: 0.436 psi/ft  
Calculated BHP: 3,662 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 7,338 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8392	4.5	11.60	N-80	LT&C	8392	8392	3.875	194.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3662	6350	1.73	3662	7780	2.12	97	223	2.29 J

Prepared by: Dustin K. Doucet  
Utah Dept. of Natural Resources

Phone: 801.538.5281  
FAX: 801.359.3940

Date: May 21, 2002  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 8392 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
State #21-10

9. API NUMBER:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

National Fuel Corporation

3. ADDRESS OF OPERATOR:

7720E. Belview, B300 CITY Englewood

STATE Co

ZIP 80111

PHONE NUMBER:

(303) 220-7772

10. FIELD AND POOL, OR WILDCAT:

Horsepoint

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL, 2590' FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This sundry notice is being submitted for notification of changes to APD for the above mentioned well.

1. A minimum 3000# BOP and manifold system will be used during drilling operations.

2. Cement for surface and intermediate casing will be pumped at 50% excess of calculated annular volume to ensure circulation back to surface.

RECEIVED

JUN 03 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) Andrew W. Busch

TITLE V.P. of Operations

SIGNATURE

Andrew W. Busch

DATE

5/27/2002

(This space for State use only)



The Operator's Minimum Specifications for Pressure Control

EXHIBIT are schematic diagrams of the blowout preventer equipment. A 3,000# blowout preventer will be installed, used, maintained and tested in accordance with all requirements specified in Section III.A-1 of Onshore Order 2, except where variations are presented in this application.

Minimum standards outlined in Onshore Order 2 will be met for BOP, choke, manifold, accumulator, and locking devices. Hydraulic controls will be located on the rig floor. Manual controls will be handwheels. Remote control for the accumulator will be 100'-200' from the drill hole. The kill line will not be used as a fill-up line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) shall be pressure tested to 100% of their rated working pressure for a period of 10 minutes. Annular preventers shall be tested to 50% of their rated working pressure for a period of 10 minutes. Tests will be run after initial installation, prior to drilling out of each casing shoe and after use under pressure, or a minimum of once every 30 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOPE will be noted on daily drilling reports.

**RECEIVED**

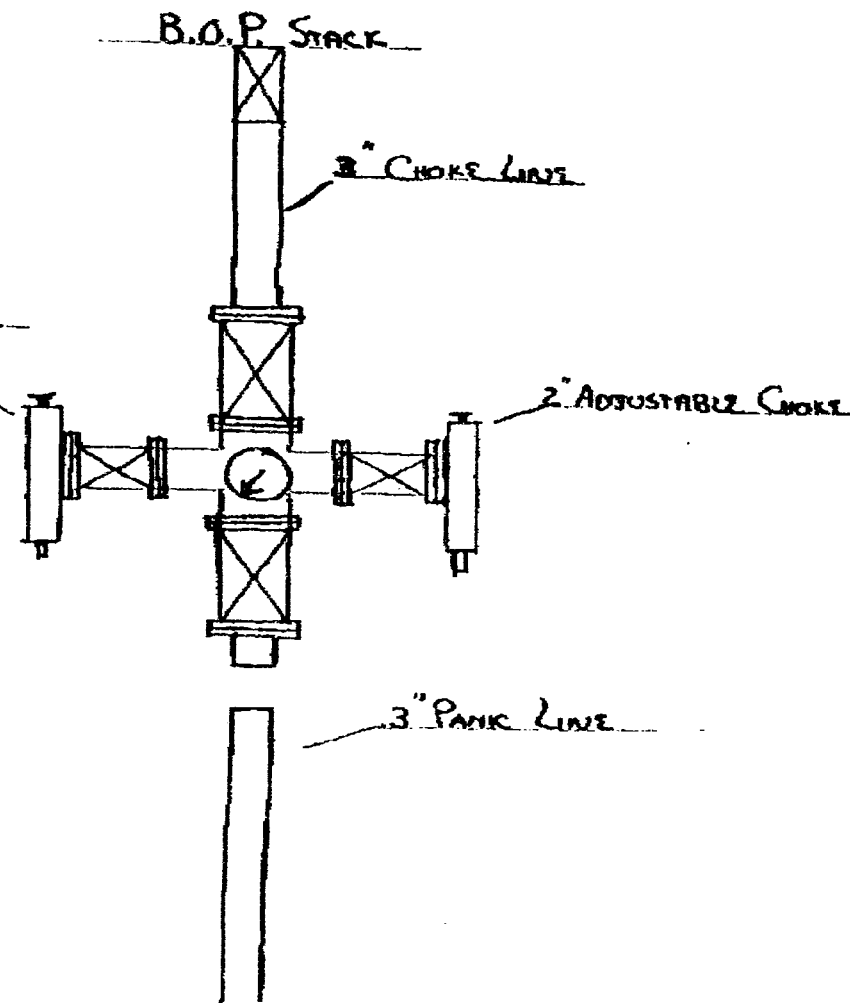
**JUN 03 2002**

**DIVISION OF  
OIL, GAS AND MINING**

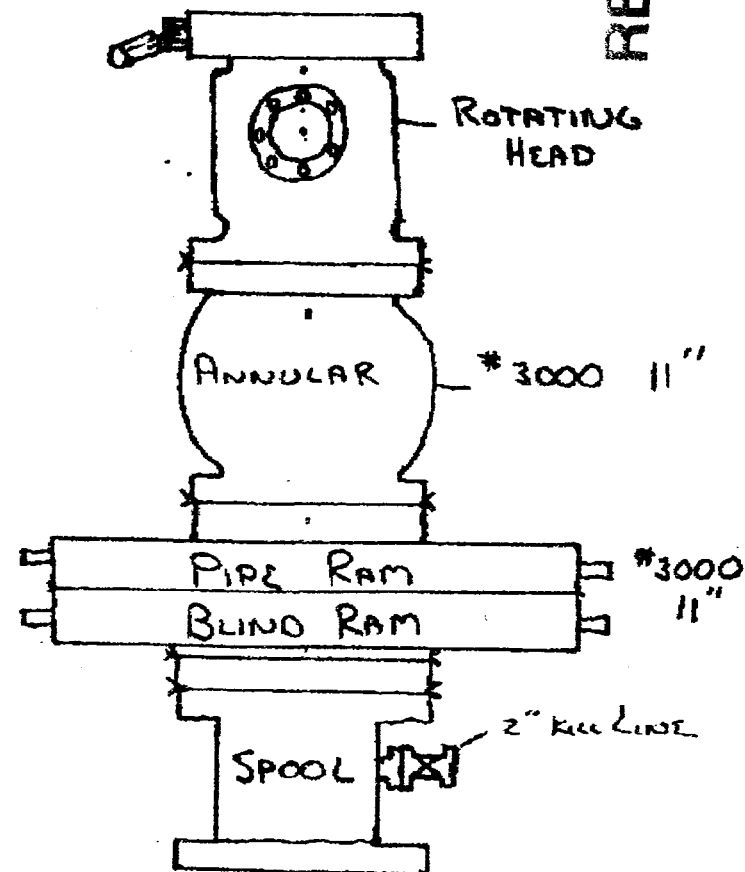
RECEIVED

JUN 03 2002

DIVISION OF  
OIL, GAS AND MINING



BLM #3000 CHOKE  
MANIFOLD SYSTEM



BLM #3000 SYSTEM  
STACK

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**Operator Name:** National Fuel Corporation

**Well Name & Number:** Horse Point State #21-10

**API Number:** 43-019-31390

**Location:** 1/4, 1/4 NE/NW Sec. 10 T. 16S R. 23E

**Geology/Ground Water:**

Several springs are observed to occur at the base of Tongue A of the Douglas Creek Member of the Green River Formation in the Horse Point area. Within a mile, water rights have been filed on two of these springs. A few small streams flow in nearby canyons on the north, east and west side of the location. Records of water encountered during the drilling of nearby wells indicates that whatever flows existed were controlled with air/mist drilling significantly into the underlying Tertiary Wasatch Formation. A well drilled about 3,300' away and at nearly the same elevation didn't mud up until ~1,200' TD. This sparse high quality ground water is an important resource for local ranching and wildlife in this elevated and incised terrain. Lost circulation may be encountered in the Mesa Verde Group in this area so the operator will attempt to drill with as light a mud system as possible. The mud system is not described other than as "aerated mud," which I presume to mean straight gel/ fresh water composition. In this area, the base of moderately saline ground water is mapped to occur at ~4,500' above sea level and should therefore be encountered at ~3,500' TD in the well. The proposed casing and cementing program should serve to adequately protect the ground water resource.

**Reviewer:** Christopher J. Kierst

**Date:** June 5, 2002

**Surface:**

A presite investigation of the surface area was done by the division staff to take input and address surface issues regarding the drilling of said well. Ed Bonner with SITLA was notified on May 14<sup>th</sup> of upcoming onsite meeting to permit a gas well on state ground. Bonner had expressed interest in attending but could not at the last minute. Miles Hanberg with the Utah Division of Wildlife Resources was also invited to address wildlife concerns and surface disturbance issues. Hanberg noted that this area is a premium elk/mule deer fawning ground and requested a no activity or drilling between May 15 and July 1<sup>st</sup>. Hanberg also requested that the reserve pit surface be re-seeded ASAP after the pit has been closed with a seed mixed described under reclamation plan. There was also a question on whether the existing road needed re-routing or not. UDWR expressed an interest in keeping surface disturbance to a minimum, because regrowth or replacement of quality vegetation is slow.

**Reviewer:** Dennis L. Ingram

**Date:** May 23, 2002

**Conditions of Approval/Application for Permit to Drill:**

1. A 12 mil synthetic liner shall be used to line and maintain the integrity of reserve pit during drilling operations. After closure, the surface area shall be re-seeded with previous stated seed mixture.

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** National Fuels Corporation

**WELL NAME & NUMBER:** Horse Point State #21-10

**API NUMBER:** 43-019-31390

**LEASE:** ML-46112

**FIELD/UNIT:** Horsepoint

**LOCATION:** 1/4, 1/4 NE/NW Sec: 10 TWP: 16S RNG: 23E

236 F N L 2590 F W L

**LEGAL WELL SITING:** Board Spaced area requiring 1000 Setback  
and 2500 From another well.

**GPS COORD (UTM):** 12 641872E; 4366820N

**SURFACE OWNER:** SITLA (State Lands)

**PARTICIPANTS:**

Andrew W. Busch (National Fuel Corporation); Dennis L. Ingram  
(DOGM); Miles Hanberg (Utah Division of Wildlife Resources)

**REGIONAL/LOCAL SETTING & TOPOGRAPHY:**

Proposed wellsite is staked on east slope of Horse Ridge  
approximately 1.7 miles north of the Book Cliffs divide on north  
and east sloping terrain in Grand county, immediately northeast  
of existing access road. A steep fingered canyon below (east)  
drains into Horse Canyon. USGS map shows an existing spring in  
finger canyon.

**SURFACE USE PLAN:**

**CURRENT SURFACE USE:** Cattle grazing and wildlife use.

**PROPOSED SURFACE DISTURBANCE:** Location measuring 325'x 175'  
plus soil stock piles on north, east and southern lands  
adjacent to location. Furthermore, a short, looping access  
road in from south. The reserve pit shall also butt against  
existing road on ridgetop. Operator plans on re-routing  
this road to west just far enough to accommodate their  
reserve pit. New 150' access road in from south.

**LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:** LBSB#1;  
LBS#1; HP#2.

**LOCATION OF PRODUCTION FACILITIES AND PIPELINES:** All  
production facilities shall remain on location. Gas  
pipeline shall run along roadway to the south/southeast  
until it intersects existing sales line on Horse Ridge where

a tie in shall be made.

SOURCE OF CONSTRUCTION MATERIAL: Native cut and fill or borrowed material.

ANCILLARY FACILITIES: None required, anticipate three living trailers for rig personal during drilling and completion operations.

**WASTE MANAGEMENT PLAN:**

Was submitted to the division with Application to Drill

**ENVIRONMENTAL PARAMETERS:**

AFFECTED FLOODPLAINS AND/OR WETLANDS: N/A

FLORA/FAUNA: Sagebrush, wheatgrass, bitter-brush, mahogany, Squaw Apple; high quality mule deer and elk calving grounds, black bear use, cougar, coyote, forest grouse, potential wild turkey habitat, bobcat, birds of prey, and smaller insect life.

SOIL TYPE AND CHARACTERISTICS: Reddish-brown sandy loam with some clay present.

SURFACE FORMATION & CHARACTERISTICS: Tongue A of the Douglas Creek Member of the Tertiary Green River Formation - Gray to brown, fine to medium grained sandstone, gray and green siltstone, few shale beds and algal/oolitic limestone beds.

EROSION/SEDIMENTATION/STABILITY: Good ground cover, no erosion at present time, some sedimentation, no stability problems noted as proposed.

PALEONTOLOGICAL POTENTIAL: None observed at onsite meeting.

**RESERVE PIT:**

CHARACTERISTICS: 150'x 40'x 8' deep on west/southwest side of location and upwind from wellbore in 100 percent cut.

LINER REQUIREMENTS (Site Ranking Form attached): 30 points

**SURFACE RESTORATION/RECLAMATION PLAN:**

Submitted to the division with application to drill. The reserve pit area shall be reseeded after closure with mixture obtained from UDWR, or twelve pounds per acre of 30% bitterbrush, 30% mountain mahogany, 30% thick spike



wheatgrass, 10% Wyoming sage brush, (some Squaw Apple if available)

**SURFACE AGREEMENT:** Yes, SITLA or State Lands

**CULTURAL RESOURCES/ARCHAEOLOGY:** A cultural and archaeological survey of wellsite and road shall be done and submitted to the division for review before permit is issued.

**OTHER OBSERVATIONS/COMMENTS:**

Steep sloping canyon to east (Little Berry Canyon with spring); dense ground covering ib wellsite; UDWR claims area is high quality elk and mule deer fawning grounds; questions were raised about whether main road needed re-routing because of existing ten feet area beyond pit dike; Ground cover slow to recover, request no new disturbance that isn't necessary.

**ATTACHMENTS:**

Photos of location surface and ground cover vegetation.

Dennis L. Ingram  
DOGM REPRESENTATIVE

05/23/02 10:30 am  
DATE/TIME

Evaluation Ranking Criteria and Ranking Score  
For Reserve and On-site Pit Liner Requirements

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
<b>Distance to Groundwater (feet)</b>		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
<b>Distance to Surf. Water (feet)</b>		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
<b>Distance to Nearest Municipal Well (feet)</b>		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
<b>Distance to Other Wells (feet)</b>		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
<b>Native Soil Type</b>		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
<b>Fluid Type</b>		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
<b>Drill Cuttings</b>		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
<b>Annual Precipitation (inches)</b>		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
<b>Affected Populations</b>		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
<b>Presence of Nearby Utility</b>		
<b>Conduits</b>		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
<b>Final Score</b>		<u>30</u>









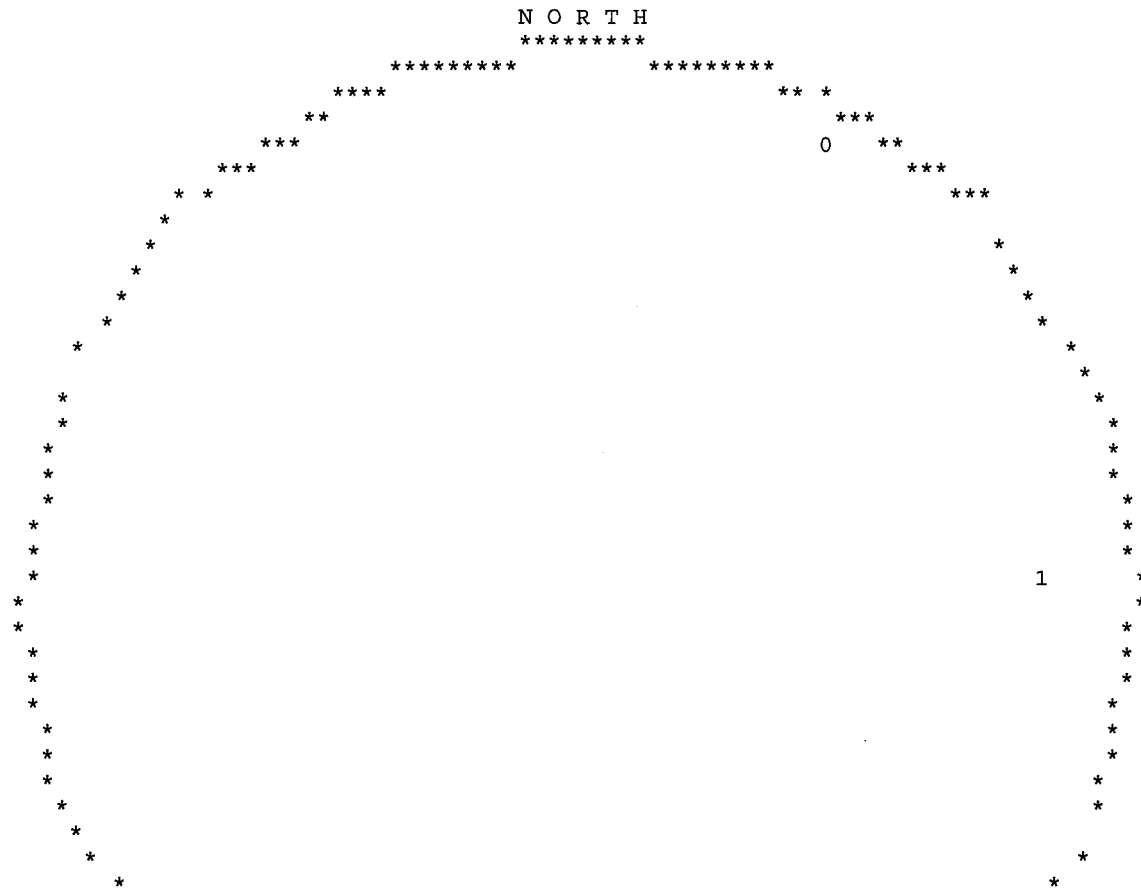








PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

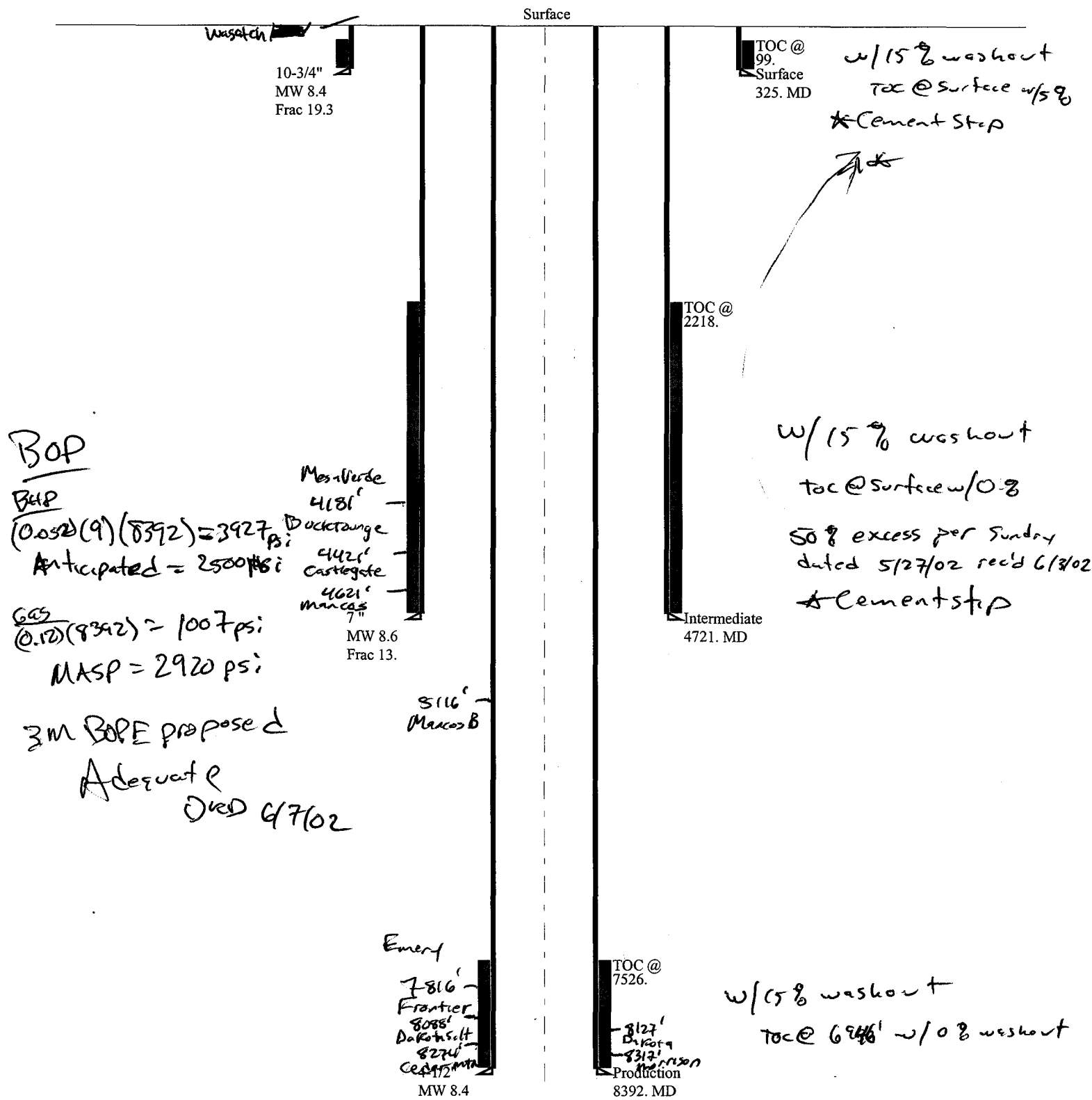


## UTAH DIVISION OF WATER RIGHTS

NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG NORTH EAST CNR SEC TWN RNG B&M	POINT OF DIVERSION DESCRIPTION	N P E I N P R R I
0	49 1511	.0500	.00	Unnamed Spring	S 1260 W 440 NE 3 16S 23E SL	X :
	WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1886	
	State of Utah School & Institutional Tru 675 East 500 South, 5th Floor				Salt Lake City UT 84102-	
1	49 409	15.0000	.00	Horse Point Spring	S 100 W 950 N4 11 16S 23E SL	X :
	WATER USE(S): STOCKWATERING OTHER				PRIORITY DATE: / /1861	
	USA Bureau of Land Management (Vernal Di 170 South 500 East				Vernal UT 84078	

Casing Schematic





003



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 12, 2002

National Fuel Corporation  
7720 E Belleview, B-300  
Englewood, CO 80111

Re: State 21-10 Well, 236' FNL, 2590' FWL, NE NW, Sec. 10, T. 16 South, R. 23 East,  
Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31390.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John R. Baza'.

A handwritten signature in cursive script, appearing to read 'John R. Baza'.

John R. Baza  
Associate Director

pb

Enclosures

cc: Grand County Assessor  
SITLA

Operator: National Fuel Corporation  
Well Name & Number State 21-10  
API Number: 43-019-31390  
Lease: ML-46112

Location: NE NW Sec. 10 T. 16 South R. 23 East

### Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6 Surface and intermediate casing shall be cemented to the surface.

## 2. CDW

Designation of Agent/Operator

## Merger

**6/28/2002**

**TO: ( New Operator):**  
**N9550-EOG Resources**  
**PO Box 250**  
**Big Piney, WY 83113**  
**Phone: 1-(307) 276-3331**

Unit:

[illegible]

6a. (R649-9-2)Waste Management Plan has been received on:	<u>IN PLACE</u>
6b. Inspections of LA PA state/fee well sites complete on:	<u>n/a</u>
6c. Reports current for Production/Disposition & Sundries on:	<u>ok</u>

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, re-enter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR: National Fuel Corporation N 8060 303 966-6766

3. ADDRESS OF OPERATOR: 7720 E Belleview; B30(CITY Englewood STATE CO ZIP 80111 PHONE NUMBER: (303) 220-7772

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236 FNL, 2590 FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
State #21-10

9. API NUMBER:  
4301931390

10. FIELD AND POOL, OR WILDCAT:  
HorsePoint

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources Inc., whose address is 600 - 17th Street; Suite 1100N; Denver, CO 80202, is the operator of the Horse Point State #21-10 well during drilling and completion. National Fuel Corporation will resume as operator as of the date of first production. A subsequent sundry notice will be filed at that time.

EOG Resources, Inc.

N 9550

Name: Sheila Bremer  
Title: Regulatory Coordinator  
Date: 7/8/02

★ P.O. Box 250  
Big Piney WY 83113

RECEIVED

JUL 09 2002

DIVISION OF  
OIL, GAS AND MINING

NAME (PLEASE PRINT) Brenda K. Mayland - National Fuel Corporation ★ TITLE Executive Vice President

SIGNATURE Brenda K Mayland DATE 6/28/2002

(This space for State use only) ★ 1/2000 Address = 7979 E Tufts Pkwy, #815 Denver CO 80237

APPROVED 1/31/2006

(5/2000)

Earlene Russell (See Instructions on Reverse Side)  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: National Fuel Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 7720 E Belleview; B30 CITY Englewood STATE CO ZIP 80111		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236 FNL, 2590 FWL		8. WELL NAME and NUMBER: State #21-10
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		9. API NUMBER: 4301931390
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: HorsePoint
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

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EOG Resources, Inc.

Sheila Bremer  
Name: Sheila Bremer  
Title: Regulatory coordinator  
Date: 7/8/02

**RECEIVED**

**JUL 09 2002**

**DIVISION OF  
OIL, GAS AND MINING**

NAME (PLEASE PRINT) <u>Brenda K. Mayland - National Fuel Corporation</u>	TITLE <u>Executive Vice President</u>
SIGNATURE <u>Brenda K Mayland</u>	DATE <u>6/28/2002</u>

(This space for State use only)



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## DIVISION OF OIL, GAS AND MINING

### **SPUDDING INFORMATION**

Name of Company: NATIONAL FUEL CORPORATION

Well Name: STATE 21-10

Api No: 43-019-31390 Lease Type: STATE

Section 10 Township 16S Range 23E County GRAND

Drilling Contractor DALL COOK'S Rig# AIR

### **SPUDED:**

Date 07/28/02

Time 11:00 AM

How ROTARY

**Drilling will commence:** \_\_\_\_\_

Reported by JEFF JOHNSON

Telephone # 1-435-790-7122

Date 07/29/2002 Signed: CHD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. ML-46112
2. Name of Operator EOG RESOURCES, INC.		6. If Indian, Allottee or Tribe Name
3a. Address 600 SEVENTEENTH ST., SUITE 1100N DENVER, CO 80202		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 303.824.5574 Fx: 303.824.5575		8. Well Name and No. STATE 21-10
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T16S R23E NENW 236FNL 2590FWL		9. API Well No. 43-019-31390
		10. Field and Pool, or Exploratory HORSE POINT
		11. County or Parish, and State GRAND COUNTY, UT

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EOG Resources, Inc. requests permission to place a temporary man camp on the JC Thompson Horse Point 1X location, API #43-019-16206, located in NWNE Section 14-T16S-R23E, Grand County, UT, during drilling and completion operations for the subject well. The temporary man camp will include self-contained potable water system, septic system, two house trailers, trash bins, and a generator for power.

JC Thompson granted permission to place temporary man camp facilities on the Horse Point 1X in a letter dated July 24, 2002.

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Action is Necessary

RECEIVED

JUL 29 2002

DIVISION OF  
OIL, GAS AND MINING

Date: 8/1/02

By: [Signature]

COPY SENT TO OPERATOR

Date: 8-2-02

14. I hereby certify that the foregoing is true and correct. Electronic Submission #13075 verified by the BLM Well Information System For EOG RESOURCES, INC., sent to the Vernal	
Name (Printed/Typed) SHEILA BREMER	Title REGULATORY COORDINATOR
Signature [Signature] (Electronic Submission)	Date 07/25/2002

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\* ORIGINAL \*\*

007

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL  
OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
EOG Resources, Inc.

3. ADDRESS OF OPERATOR:  
600 17th St, Ste 1100N CITY Denver STATE CO ZIP 80202

PHONE NUMBER:  
(303) 824-5574

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL & 2590' FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:  
State 21-10

9. API NUMBER:  
4301931390

10. FIELD AND POOL, OR WILDCAT:  
Horse Point

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. proposes changing the csg/cementing, mud program, and logging program as follows (verbal approval given to Don Presenkowski at 13:50 hrs on 8/2/02 from Dustin Doucet w/DOGM):

Csg/Cmt - 7" csg in 9-7/8" hole cmted to surface with: Lead - 75% excess (3720'-0') 440 sx Cl G w/5% D44 (Salt), 12% D20 (Bentonite), 1% D79 (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer), 0.25 pps D29 (Cello-Flake) at 11.0 ppg, 3.91 CF/sx, 24.54 gps water. Tail - 75 % excess (4720'-3720') 340 sx 50/50 Poz/G w/10% D44 (Salt), 2% D20 (Bentonite), 0.2% D46 (Anti-Foamer), 0.25 pps D29 (Cello-Flake) at 14.1 ppg, 1.36 CF/sx, 6.25 gps water.

4-1/2" csg in 6-1/8" hole cmted from TD-7300' (500' above top of Frontier Formation as determined by openhole logs) with 50/50 Poz/G w/2% D20 (Bentonite), 2% D174 (Fluid Loss Additive), 0.25% D65 (Dispersant), 0.5% D167 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.2% D46 (Anti-Foamer) at 14.2 ppg, 1.29 CF/sx, 5.83 gps water. Volume to be determined by openhole log caliper + 10% excess.

Mud Program - An air/mist system will be used to drill the intermediate (9-7/8") hole. Water in the mist will be laden with Diammonium Phosphate (DAP). Should this hole need to be mudded up, mud used will be a DAP-based system.

Logging Program - At TD, hole will be displaced with a DAP mud system for logging. Log as follows:  
SP/GR/DIL/CNL/FDC/Sonic from TD to Intermediate Csg Shoe and GR/CNL/Sonic from Intermediate Csg Shoe to Surface.

NAME (PLEASE PRINT) Sheila Bremer

TITLE Regulatory Coordinator

SIGNATURE

DATE 8/2/2002

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 8/12/2002

BY: [Signature]

(See Instructions on Reverse Side)

\* Verbal Given 8/2/02

COPY SENT TO OPERATOR  
DATE: 8-12-02  
INITIALS: CHD

RECEIVED

AUG 06 2002

DIVISION OF  
OIL, GAS AND MINING

008

DIVISION OF OIL, GAS AND MINING

OPERATOR: EOG Resources, Inc.

FAX: JIM THOMPSON

N9550

ADDRESS: P.O. BOX 250

(801) 359-3940

ENTITY ACTION FORM - FORM 6


BIG PINEY, WYOMING 83113

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SEC.	TP	RG			
A	99999	13560	43-019-31390	HORSE POINT ST 21-10	NE/NW	10	16S	23E	GRAND	7/28/2002	8-13-02
B	99999	4905	43-047-33937	CHAPITA WELLS UNIT 606-3F	SWSW	3	9S	22E	UINTAH	7/16/2002	8-13-02
CONFIDENTIAL											

## ACTIONS CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

  
 Signature \_\_\_\_\_  
 Regulatory Analyst 8/13/2002  
 Title \_\_\_\_\_ Date \_\_\_\_\_  
 Phone No. (307) 276-4842

009

**pason**  
systems usa corp

www.pason.com  
16080 Table Mountain Parkway Ste 500 • Golden • CO • 80403  
720-880-2000 • FAX: 720-880-0016

Tuesday, August 20, 2002

Oil & Gas Supervisor  
Utah Division Of Oil, Gas, & Mining  
1594 W. North Temple  
Suite 1210  
Salt Lake City, UT 84116

RE: **EOG RESOURCES, INC.**  
**~~HORSE POINT STATE 21-10~~** *43-019-31390*  
**SEC. 10, T16S, R23E**  
**GRAND COUNTY, UT**

Dear Oil & Gas Supervisor:

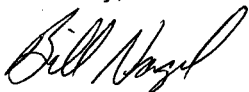
Enclosed are the final computer colored log for the above referenced well.

*filed in log file.*

We appreciate the opportunity to be of service to you and look forward to working with you in the near future.

If you have any questions regarding the enclosed data, please contact us.

Sincerely,



Bill Nagel  
Geological Manager

BN/alb

Encl: 3 Final Computer Colored Logs.

Cc: Delores Montoya, EOG Resources, Inc., Denver, CO.

**RECEIVED**

**AUG 22 2002**

**DIVISION OF  
OIL, GAS AND MINING**



011

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER \_\_\_\_\_

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER \_\_\_\_\_

2. NAME OF OPERATOR: EOG RESOURCES, INC. (DRL WELL) OP: NATIONAL FUEL CORP

3. ADDRESS OF OPERATOR: P.O. BOX 250 CITY BIG PINEY STATE WY ZIP 83113 PHONE NUMBER: (307) 276-4842

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: 236' FNL - 2590' FWL  
AT TOP PRODUCING INTERVAL REPORTED BELOW: SAME  
AT TOTAL DEPTH: SAME

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER: HORSE POINT STATE 21-10

9. API NUMBER: 4301931390

10. FIELD AND POOL, OR WILDCAT WILDCAT

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23N E

12. COUNTY GRAND 13. STATE UTAH

14. DATE SPUNDED: 7/28/2002 15. DATE T.D. REACHED: 8/18/2002 16. DATE COMPLETED: 10/25/2002 ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL): 8010' GL

18. TOTAL DEPTH: MD 8,544 TVD 19. PLUG BACK T.D.: MD 8,505 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? 1 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) MICROLOG-8-29-02 PLATFORM EXPRESS, SONIC/NEURTON & CBI MUD LOG-8-29-02 PL/LC/GR-8-29-02, CN/LD/GR-8-29-02

23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)  
WAS DST RUN? NO ☒ YES ☐ (Submit report)  
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
14 1/2	103/4 J55	40.5	0	323		G 250			
9 7/8	7 J55	23.0	0	4,856		LITE 780			
7 7/8	41/2 N80	11.6	0	8,524		POZ 175			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8	8,544							

26. PRODUCING INTERVALS DK-MR an BGH					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) BRUSHY BASIN	8,380	8,388			8,380 8,388	.380	24	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) BUCKHORN	8,304	8,319			8,304 8,319	.380	27	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C) 2ND DAKOTA	8,216	8,223			8,216 8,223	.380	9	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
8380-8388	5820 GALS 70QN2/YF120PD & 20,000# 20/40 SAND.
8304-8319	21,715 GALS 70QN2/YF125PD & 51,000# 20/40 SAND.
8216-8223	9569 GALS 70QN2/YF125FL & 31,000# 20/40 SAND.

29. ENCLOSED ATTACHMENTS: ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY  
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: \_\_\_\_\_

30. WELL STATUS: SI

RECEIVED

FEB 06 2003

DIV. OF OIL, GAS & MINING

## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
BUCK TONGUE	4,150	4,410			
CASTLEGATE	4,410	4,595			
MANCOS	4,595	7,856			
FRONTIER	7,856	8,075			
DAKOTA	8,075	8,230			
CEDAR MT	8,230	8,315			
MORRISON	8,315	8,392			

## 34. FORMATION (Log) MARKERS:

## 35. ADDITIONAL REMARKS (Include plugging procedure)

WELL IS SHUT-IN FOR EVALUATION.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) KATY CARLSON

TITLE REGULATORY ANALYST

SIGNATURE

*Katy Carlson*

DATE

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

012



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

April 16, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6266

Sally Sanchez  
National Fuel Corporation  
7979 East Tufts Ave Pkwy, Suite 815  
Denver, Colorado 80237-2843

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Ms. Sanchez:

National Fuel Corporation, as of April 2004, has one (1) State Lease Well (see attachment A) that is currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

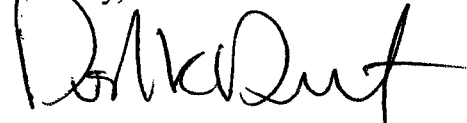
Page 2  
April 16, 2004  
Sally Sanchez

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File  
SITLA

National Fuel Corporation

	Well Name	API	Lease Type	Years Inactive
1	State 21-10	43-019-31390	State	1 Year 3 Months

Attachment A





**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

May 26, 2004

**VIA FACSIMILE and REGULAR MAIL**

Mr. Dustin K. Doucet  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84111

RE: Extended Shut-in and Temporary Abandoned Well Requirements  
for Fee or State Leases  
Horse Point #21-10 Well  
Horse Point Area  
Grand County, Utah

Dear Mr. Doucet:

Reference is made to your letter of similar caption dated April 16, 2004 addressed to National Fuel Corporation, and our subsequent telephone conversations concerning the status of the captioned well. National Fuel operates the well for a joint venture, in which EOG Resources holds a 75% working interest.

As discussed, EOG expects the well to be a marginal gas producer from the Cedar Mountain formation. However, before the working owners bear the costs necessary to produce the well we believe it is prudent to wait for a planned upgrade to the gathering system. Canyon Gas Resources operates the gathering system in the immediate area and has plans to build the so-called Horse Point Pipeline that will link the existing Middle Canyon pipeline to the existing Mesa Pipeline. The upgrade will provide much needed capacity relief to the system.

I've attached a photocopy of a portion of a map provided to EOG by Canyon that shows the location of the proposed Horse Point Pipeline, and on which I've noted the location of the above-mentioned pipelines and the captioned well. Reportedly, Canyon expects to begin construction on the pipeline this summer. Therefore, the well is shut-in waiting on pipeline, and the drillsite lease is maintained by through minimum royalty payments.

With regard to specific questions contained in your letter we provide the following information:

**RECEIVED**

**JUN 01 2004**

DIV. OF OIL, GAS & MINING

1.) Wellbore Diagram

2.) Tubing pressure: 850 psi

Casing pressure: 1,100 psi

Between surface casing and intermediate casing: 0 psi

3.) Fluid level 6,900' from the surface

Overall, the high and steady pressures, with no pressure seen in the annuluses between the respective casing strings and low fluid level supports our belief that the well has integrity and does not pose a threat to groundwater sources, or otherwise.

Should you desire to discuss this matter further, please feel free to give me a call at 303-824-5428, or call Andy Busch, National Fuel's Vice President of Operations, at 970-260-8128.

Sincerely,

**EOG RESOURCES, INC.**

  
R. G. Davis, CPL  
Project Landman

xc: Andy Busch  
Diane Thompson - National Fuel  
Jim Schaefer - EOG Resources, Big Piney

FLATROCK  
OPTION #2

FLATROCK  
OPTION #1

SEEP RIDGE  
STATION

MIDDLE CANYON

PROPOSED  
HORSE POINT  
PIPELINE

GRAND VALLEY  
GATHERING  
SYSTEM

SAN ARROYO  
GATHERING  
SYSTEM

SAN ARROYO  
PLANT

ROBIDEAUX  
STATION

TRK B  
STATION

# WELLBORE DIAGRAM

Operator: EOG Resources, Inc.  
 Field Name: Cedar Mountain  
 Well Name: Horse Point 21-10  
 Location: 236' FNL & 2590' FWL (NE NW) Sec. 10-T16S-R23E  
 County: Grand  
 API #: 4301931390  
 Date: 11/14/02

GL: 8010'

KB: 8025'

Spud Date: 7/28/02

Completion Date: 10/25/02

Surface Casing: 10-3/4", 40.5#, J-55 @ 338'  
 w/250 sx Class G cmt

## Original Completion:

Formation:	Perforations:	Treatment:
Dakota	8216'-23' (3 SPF)	9,569 gals YF-125 fluid w/N2 w/31,000# 20/40 sand
Buckhorn	8304'-07', 8313'-19' (3 SPF)	21,715 gals YF-125 fluid w/N2 w/51,000# 20/40 sand
Brushy Basin	8380'-88' (3 SPF)	5,820 gals YF-120 fluid w/N2 w/30,000# 20/40 sand Screened out

## DST's & Cores:

Tubing: 2-3/8", 4.7#, J-55 @ 8404'

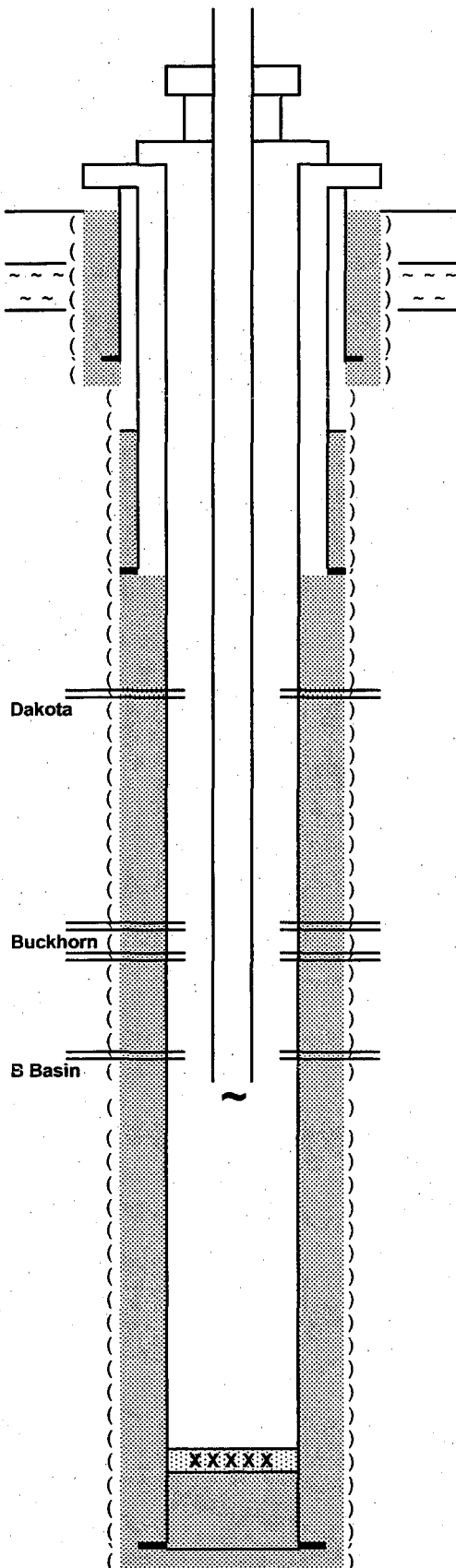
Packer:

PBTD: 8505'

Intermediate Casing: 7", 23#, J-55 @ 4856'  
 w/440 sx Hi-Lift cmt followed by  
 340 sx Class G cmt

Production Casing: 4-1/2", 11.6#, N-80 @ 8524'  
 w/175 sx 50-50 Pozmix cmt

TD: 8544'





State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

June 4, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5344

Mr. R.G. Davis  
EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1100N  
Denver, Colorado 80202

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated April 16, 2004. (National Fuel Corporation)

Dear Mr. Davis,

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated May 26, 2004 (received by the Division on 6/1/2004) in regards to the one (1) shut-in well operated by National Fuel. It is the Divisions understanding the working interest owners in the State 21-10 feel it is prudent not to produce the well until Canyon Gas Resources has upgraded the gathering system by building the Horse Point Pipeline.

Based on the submitted information and plan to put the State 21-10 on production once the gathering system improvements are in place the Division grants extended SI/TA status for the State 21-10 until January 1, 2005, with the stipulation that the State 21-10 shall be monitored on a regular bases, and at a minimum the monitoring program should include obtaining and documenting pressures and fluid levels quarterly. This information should be reported to the Division at the end of the year for review. However, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Doucet".

Dustin Doucet  
Petroleum Engineer

cc: Well file  
SITLA  
National Fuel Corp.





## State of Utah

Department of  
Natural ResourcesROBERT L. MORGAN  
*Executive Director*Division of  
Oil, Gas & MiningLOWELL P. BRAXTON  
*Division Director*OLENE S. WALKER  
*Governor*GAYLE F. McKEACHNIE  
*Lieutenant Governor*

June 4, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5344Mr. R.G. Davis  
EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1100N  
Denver, Colorado 80202Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated April 16, 2004. (National Fuel Corporation)

Dear Mr. Davis,

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated May 26, 2004 (received by the Division on 6/1/2004) in regards to the one (1) shut-in well operated by National Fuel. It is the Divisions understanding the working interest owners in the State 21-10 feel it is prudent not to produce the well until Canyon Gas Resources has upgraded the gathering system by building the Horse Point Pipeline.

Based on the submitted information and plan to put the State 21-10 on production once the gathering system improvements are in place the Division grants extended SI/TA status for the State 21-10 until January 1, 2005, with the stipulation that the State 21-10 shall be monitored on a regular bases, and at a minimum the monitoring program should include obtaining and documenting pressures and fluid levels quarterly. This information should be reported to the Division at the end of the year for review. However, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineercc: Well file  
SITLA  
National Fuel Corp.



RECEIVED

OCT 22 2004

DIV. OF OIL, GAS &amp; MINING

**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

October 19, 2004

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, 84114-5801

RE: Horse Point State 21-10  
T16S-R23E-Sec. 10  
Grand County, Utah

*API# 43-019-3132*

Carol:

Enclosed herewith are the following logs and data associated with the subject well:

Horse Point State 21-10  
Array Induction W/Linear Correlation GR 8-24-02 (2)  
Compensated Neutron Triple Litho Density Gamma Ray 8-24-02 (2)  
Platform Express Microlog 8-24-02 (2)

If you have any questions, please do not hesitate to contact me.

Very truly yours,

EOG RESOURCES, INC.

A handwritten signature in black ink that reads "Delores Montoya".

Delores Montoya  
Exploration & Operations Secretary  
Denver Office

Enc. 6  
cc: Well File



**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

November 10, 2004

**VIA FACSIMILE and REGULAR MAIL**

Mr. Dustin K. Doucet  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84111

RE: Extended Shut-in and Temporary Abandoned Well Requirements  
for Fee or State Leases  
Horse Point #21-10 Well  
Horse Point Area  
Grand County, Utah

Dear Mr. Doucet:

Reference is made to our letter of like caption dated May 26, 2004.

Canyon Gas Resources recently informed EOG Resources, Inc. (EOG) that the Horse Point Pipeline has been delayed. Reportedly, Canyon continues to wait for a Right-of-Way from the Bureau of Land Management. We now expect the pipeline to be built during the Summer of 2005.

By letter dated June 4, 2005, DOGM approved the continued shut-in of the subject well through January 1, 2005. Because of delays in construction of the Horse Point Pipeline EOG, in accordance with State Rule R649-3-36, respectfully requests permission to extend the shut-in status of the Horse Point #21-10 well for an additional seven (7) month period ending August 1, 2005.

In support of this request we provide the attached Sundry Notice reporting data recently taken from the well that shows fluid levels and pressures have not changed since last reported.

Overall, the continued high and steady pressures, with no pressure seen in the annuluses between the respective casing strings, and low fluid level supports our contention that the well has integrity and does not pose a threat to groundwater sources, or otherwise.

RECEIVED

NOV 16 2004


**energy opportunity growth**

DIV. OF OIL, GAS & MINING

Should you desire to discuss this matter further, please feel free to give me a call at 303-824-5428, or call Andy Busch, National Fuel's Vice President of Operations, at 970-260-8128.

Sincerely,

**EOG RESOURCES, INC.**

  
R. G. Davis, CPL  
Project Landman

xc:     Andy Busch  
         Diane Thompson - National Fuel  
         Sheila Bremer – EOG Resources, Denver  
         Jim Schaefer – EOG Resources, Big Piney

RECEIVED

NOV 16 2004

DIV. OF OIL, GAS & MINING

016

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: EOG Resources, Inc. 40 National Fuel		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St, Ste 1100N CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL & 2590' FWL		8. WELL NAME and NUMBER: State 21-10
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		9. API NUMBER: 4301931390
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Horse Point
STATE: UTAH		

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Pressure Information</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see pressure/fluid level information on the subject well below:

SICP 1100 psig (no pressure on the surface casing)  
SITP 850 psig  
Fluid level @ 6900'

NAME (PLEASE PRINT) <u>Sheila Bremer</u>	TITLE <u>Regulatory Supervisor</u>
SIGNATURE <u>Sheila Bremer</u>	DATE <u>11/2/2004</u>

(This space for State use only)

RECEIVED

NOV 16 2004

DIV. OF OIL, GAS &amp; MINING





State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

MARY ANN WRIGHT  
*Acting Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

December 2, 2004

Mr. R.G. Davis  
EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1100N  
Denver, Colorado 80202

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Davis:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated November 10, 2004 (received by the Division on 11/16/2004) and sundry dated November 2, 2004 (received by the Division on 11/16/2004) in regards to extended SI/TA for the State # 21-10 (API # 43-019-31390) well operated by National Fuel Corporation. It is the Division's understanding construction delays of the Horse Point Pipeline have prevented the operator from placing the well on production, and EOG Resources (on the behalf of National Fuel Corporation) requests extended SI/TA status for the State # 21-10.

Based on the submitted information and plan to place the State 21-10 on production once the Horse Point Pipeline is finished next summer the Division grants extended SI/TA status for the State # 21-10 until August 1, 2005 with the stipulation that the operator continues to monitor the State # 21-10 on a regularly basis. At a minimum the monitoring program should include obtaining and documenting pressures and fluid levels quarterly. This information should be submitted to the Division at the end of the extension period for review. However, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

Page 2  
Mr. R.G. Davis  
December 2, 2004

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dustin Doucet', written in a cursive style.

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: Well file  
SITLA  
National Fuel Corp.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

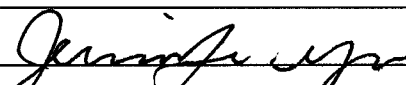
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St, Ste 1100N CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL & 2590' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		8. WELL NAME and NUMBER: State 21-10
PHONE NUMBER: (303) 824-5576		9. API NUMBER: 4301931390
		10. FIELD AND POOL, OR WILDCAT: Horse Point
		COUNTY: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Pressure Information</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see pressure/fluid level information on the subject well below:

As of 8/1/2005:  
SICP 1100 psig (no pressure on the surface casing)  
SITP 850 psig  
Fluid level @ 7100'

NAME (PLEASE PRINT) <u>Jennifer Yu</u>	TITLE <u>Senior Regulatory Assistant</u>
SIGNATURE <u></u>	DATE <u>8/12/2005</u>

(This space for State use only)

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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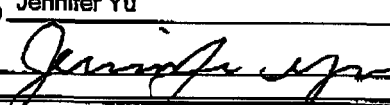
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: EOG Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St, Ste 1100N CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
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Fluid level @ 7100'

NAME (PLEASE PRINT) <u>Jennifer Yu</u>	TITLE <u>Senior Regulatory Assistant</u>
SIGNATURE <u></u>	DATE <u>8/12/2005</u>

(This space for State use only)



**EOG Resources, Inc.**  
600 Seventeenth St., Ste. 1100 N  
Denver, CO 80202  
(303) 572-9000  
Fax (303) 824-5400

TO: Dustin K. Doucet FROM: Bob Davis

COMPANY: Division of Oil, Gas and Mining CO/DEPT: EOG Resources, Inc.

FAX #: 801-359-3940 PHONE#: (303) 572-9000 - Main #

FAX #: (303) 824-5400

TOTAL NUMBER OF PAGES (including this page) 4 DATE: August 15, 2005

If you do not receive this transmission in its entirety, please call \_\_\_\_\_  
at (303) 824-5438 .

---

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR AGENT RESPONSIBLE TO DELIVER IT TO THE INTENDED RECIPIENT. YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE.

**energy opportunity growth**





**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 821-5100

August 8, 2005

**VIA FACSIMILE and REGULAR MAIL**

Mr. Dustin K. Doucet  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84111

RE: Extended Shut-in and Temporary Abandoned Well Requirements  
for Fee or State Leases  
Horse Point #21-10 Well  
Horse Point Area  
Grand County, Utah

Dear Mr. Doucet:

Reference is made to our letters of like caption dated May 26, 2004 and November 10, 2004, respectively.

The Horse Point Pipeline continues to be delayed.

By letter dated December 2, 2004, DOGM approved the continued shut-in of the subject well through August 1, 2005. Because of delays in construction of the Horse Point Pipeline EOG, in accordance with State Rule R649-3-36, respectfully requests permission to extend the shut-in status of the Horse Point #21-10 well for an additional seven (7) month period ending August 1, 2005.

In support of this request we provide the attached Sundry Notice reporting data recently taken from the well that shows fluid levels and pressures have not changed since last reported.

Overall, the continued high and steady pressures, with no pressure seen in the annuluses between the respective casing strings, and low fluid level supports our contention that the well has integrity and does not pose a threat to groundwater sources, or otherwise.

Should you desire to discuss this matter further, please feel free to give me a call at 303-824-5428, or call Andy Busch, National Fuel's Vice President of Operations, at 970-260-8128.

Sincerely,

EOG RESOURCES, INC.



R. G. Davis, CPL  
Project Landman

xc: Andy Busch  
Diane Thompson - National Fuel  
Sheila Bremer - EOG Resources, Denver  
Jim Schaefer - EOG Resources, Big Piney



**EOG Resources, Inc.**  
600 Seventeenth Street  
Suite 1100N  
Denver, CO 80202  
(303) 572-9000  
Fax: (303) 824-5400

August 8, 2005

**VIA FACSIMILE and REGULAR MAIL**

Mr. Dustin K. Doucet  
Utah Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84111

**RECEIVED**  
**AUG 1 / 2005**  
DIV. OF OIL, GAS & MINING

RE: Extended Shut-in and Temporary Abandoned Well Requirements  
for Fee or State Leases  
Horse Point #21-10 Well  
Horse Point Area  
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Sincerely,

**EOG RESOURCES, INC.**

  
R. G. Davis, CPL  
Project Landman

xc: Andy Busch  
Diane Thompson - National Fuel  
Sheila Bremer - EOG Resources, Denver  
Jim Schaefer - EOG Resources, Big Piney



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 18, 2005

1301931390  
165 23E Sec. 10

Mr. R.G. Davis  
EOG Resources, Inc.  
600 17<sup>th</sup> Street, Suite 1100N  
Denver, Colorado 80202

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Davis:

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Based on the submitted information showing casing integrity and a plan to place the State 21-10 on production once the Horse Point Pipeline is finished, the Division grants extended SI/TA status for the State # 21-10 until April 1, 2006 with the stipulation that the operator continues to monitor the State # 21-10 on a regular basis. At a minimum the monitoring program should include obtaining and documenting pressures and fluid levels quarterly. This information should be submitted to the Division at the end of the extension period for review. However, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

Page 2  
Mr. R.G. Davis  
October 18, 2005

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dustin Doucet', with a long horizontal stroke extending to the right.

Dustin Doucet  
Petroleum Engineer

DKD:jc  
cc: Well file  
SITLA  
National Fuel Corp.





STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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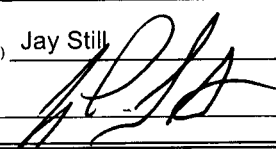
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc. <i>N5155</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St, Ste 1000N <small>CITY</small> Denver <small>STATE</small> CO <small>ZIP</small> 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL & 2590' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		8. WELL NAME and NUMBER: State 21-10
PHONE NUMBER: (303) 824-5526		9. API NUMBER: 4301931390
		10. FIELD AND POOL, OR WILDCAT: Horse Point
		COUNTY: Grand STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 2/1/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. designates Pioneer Natural Resources USA, Inc. as operator of the State 21-10 well, effective February 1, 2006. Pioneer Natural Resources USA, Inc. bonds for Utah are #104319462 (blanket) and #104319463.

This well was approved by DOGM on 6-12-2002, spud on 7-28-2002 and is currently Shut-In.

NAME (PLEASE PRINT) <u>Jay Still</u>	TITLE <u>Vice President, Western Division</u>
SIGNATURE 	DATE _____

(This space for State use only)

APPROVED 4/26/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 20 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: EOG Resources, Inc. <i>N 9550</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 600 17th St, Ste 1000N CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 824-5526		8. WELL NAME and NUMBER: State 21-10
10. FIELD AND POOL, OR WILDCAT: Horse Point		9. API NUMBER: 4301931390
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL & 2590' FWL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that Pioneer Natural Resources USA, Inc. is considered to be the operator of the above-referenced well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. The effective date of change is February 1, 2006.

NAME (PLEASE PRINT) <u>Mary Maestas</u>	TITLE <u>Operations Clerk</u>
SIGNATURE <u><i>Mary Maestas</i></u>	DATE <u>4/18/2006</u>

(This space for State use only)

APPROVED 4/18/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

APR 19 2006



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 3, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6183

Ms. Joy Ziegler  
Pioneer Natural Resources  
1401 17<sup>th</sup> ST., Suite 1200  
Denver, CO 80202

43 019 31390  
State 21-10  
1165 23E 10

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Ms. Ziegler:

As of July 2008, Pioneer Natural Resources (Pioneer) has three (3) State Mineral Lease Wells and six (6) Fee Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Three of these wells have a dated history and a first notice has previously been sent out in regards to their SI/TA status. They are as follows: The State 21-10 well (API# 43-019-31390) - extended SI/TA status was requested by letter dated November 17, 2006. Extension was granted until August 1, 2007. The Division has received no further requests or information on this well. The Main CYN ST 8-2-15-22 well (API# 43-047-31135) - by sundry dated April 10, 2006 Pioneer said it planned to return the well to production. No production reports have been received to date. This well remains SI/TA. The Shimmin Trust 14-12-12-10 well (API# 43-007-30169) - by sundry dated January 25, 2006, Pioneer planned to Plug and Abandon (P&A) this well in early spring of 2006. Approval to P&A this well was given with conditions at that time. This well is still being reported as SI/TA. This is a Second Notice of Non-compliance for these three wells. Please address these matters promptly or a Notice of Violation will be issued. Please submit your plans to produce or plug the other 6 wells referenced in attachment A as well or further actions will be initiated.



For extended SI/TA consideration the operator shall provide the Division with the following:


1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
Enclosure

cc: Jim Davis, SITLA  
Wells File  
Compliance File

## ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CASTLEGATE ST 11-16H	43-007-30961	ML-44443	2 Years 1 Month
2	STATE 21-10	43-019-31390	STATE	5 Years 9 Months
3	MAIN CYN ST 8-2-15-22	43-047-31135	STATE	26 Years 10 Months
4	SHIMMIN TRUST 14-12-12-10	43-007-301-69	FEE	7 Years 4 Months
5	SHIMMIN TRUST 3-14-12-10	43-007-30640	FEE	3 Years 2 Months
6	SHIMMIN TRUST 1-12-12-10	43-007-30674	FEE	1 Year 5 Months
7	JENSEN 2-10-12-10	43-007-30675	FEE	4 Years 0 months
8	SHIMMIN 11-14	43-007-30962	FEE	4 Years 0 Months
9	ATCHEE CANYON 25-12-25 #4	43-047-35830	FEE	2 Years 11 Months





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

January 29, 2009

Ms. Joy Ziegler  
Pioneer Natural Resources  
1401 17<sup>th</sup> ST., Suite 1200  
Denver, CO 80202

43 019 31390  
State 21-10  
16S 23E 10

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated September 3, 2008.

Dear Ms. Ziegler:

The Division of Oil, Gas and Mining (the Division) is in receipt of your letter dated October 8, 2008 in regards to the nine (9) shut-in or temporarily abandoned (SI/TA) wells (Attachment A) operated by Pioneer Natural Resources.

The Division does not object to the proposed work on the said wells. However, due to insufficient evidence the Division is unable to grant extended SI/TA status for these wells. Not enough data was received per R649-3-36 providing proof of integrity or lengths of time wells are expected to be shut-in. The Divisions preferred method of demonstrating well integrity is to perform an MIT. Please note, approval will be necessary prior to continuing with any planned work for these wells.

Please submit an individual sundry for each well along with required information to help expedite approval and documentation processes. If the required information is not received within 30 days of the date of this notice, further actions may be initiated. Please feel free to contact me at (801) 538-5281 concerning specific requirements to ensure all information is included with sundries.

Sincerely,

Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js  
Enclosure

cc: Jim Davis, SITLA  
Wells File  
Compliance File



OIL, GAS & MINING

## ATTACHMENT A

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4	SHIMMIN TRUST 14-12-12-10	43-007-301-69	FEE	7 Years 4 Months
5	SHIMMIN TRUST 3-14-12-10	43-007-30640	FEE	3 Years 2 Months
6	SHIMMIN TRUST 1-12-12-10	43-007-30674	FEE	1 Year 5 Months
7	JENSEN 2-10-12-10	43-007-30675	FEE	4 Years 0 months
8	SHIMMIN 11-14	43-007-30962	FEE	4 Years 0 Months
9	ATCHEE CANYON 25-12-25 #4	43-047-35830	FEE	2 Years 11 Months

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46112
2. NAME OF OPERATOR: Pioneer Natural Resources USA, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th Street - Ste 1200 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL & 2590' FWL		8. WELL NAME and NUMBER: State 21-10-16-23
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		9. API NUMBER: 4301931390
COUNTY: Grand		10. FIELD AND POOL, OR WILDCAT: Horse Point
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extend SI Status</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The State 21-10-16-23 well remains SI due to no pipeline. Pioneer is requesting an extension for the SI Status.

Pioneer proposes to run a MIT to prove the well integrity as stated in Rule R649-3-36-1.3. Plans are to run the MIT in late spring early summer 2009 when weather and road conditions allow.

The MIT procedure will be as follows:

- 1) MIRU water truck w/triplex pump
- 2) Install chart recorder on well head & second line on annulus
- 3) Load well with formation water
- 4) Pressure up to 1000 psi & SI pump
- 5) Record pressure for 30 minutes
- 6) RD & release pump truck

MIT results will be forwarded to UDOGM via the field.

COPY SENT TO OPERATOR

Date: 3.26.2009

Initials: KS

NAME (PLEASE PRINT) <u>Joy A. Ziegler</u>	TITLE <u>Senior Engineering Tech</u>
SIGNATURE <u>Joy A. Ziegler</u>	DATE <u>3/17/2009</u>

(This space for State use only) APPROVED BY THE STATE

OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 3/25/09

BY: [Signature]

\*Valid Through 7/1/2009 to allow time for MIT

RECEIVED

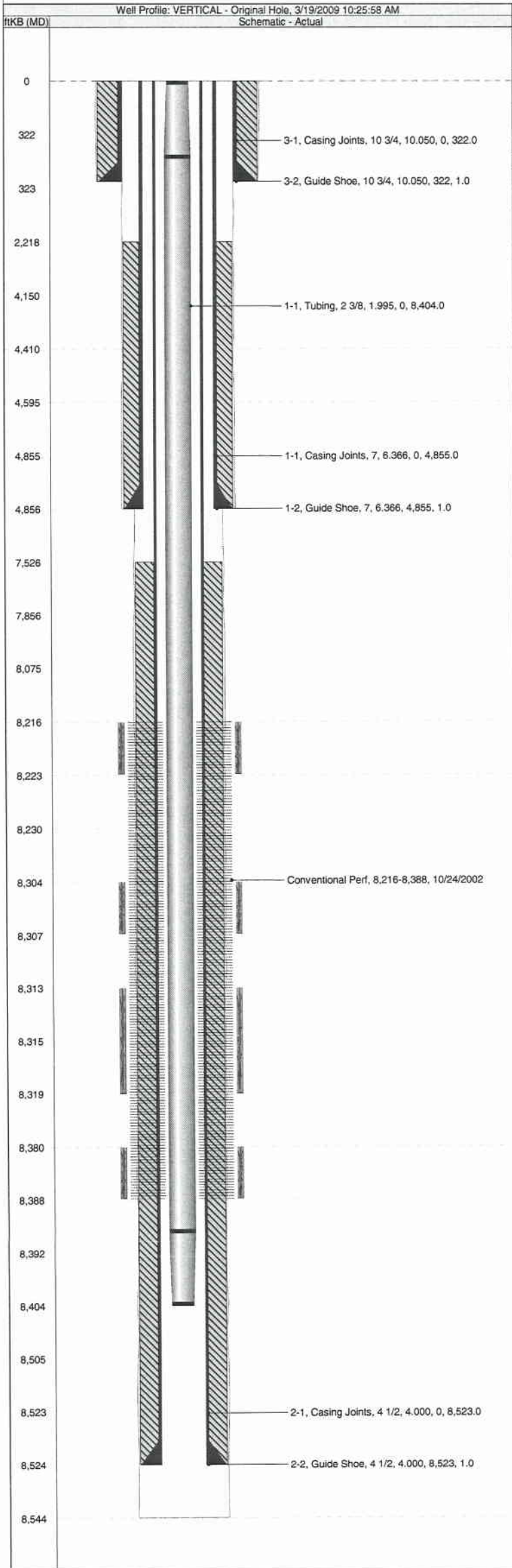
MAR 23 2009

DIV. OF OIL, GAS & MINING

State Wellbore Rpt

Well Name: Horse Point 21-10-16-23

Western Division



Area Block Number <b>COLUMBINE SPRINGS</b>		County <b>UNITAH</b>		State <b>UTAH</b>	
KB-Grd (ft)	Orig KB Elev (ft)	Gr Elev (ft)	Total Depth (ftKB)	Spud Date	
		8,010.00	8,544.0	7/28/2002	
QTR/QTR <b>NENW</b>		Section <b>10</b>	Township <b>16S</b>	Range <b>23E</b>	
API/UWI <b>43-019-31390-0000</b>		Operator <b>PIONEER NATURAL RESRC USA, INC.</b>			
<b>Perforations</b>					
Top (ftKB)		Btm (ftKB)		Zone	
8,216.0		8,388.0		Dakota, Original Hole	
<b>Wellbores</b>					
Wellbore Name <b>Original Hole</b>					
Size (in)		Act Top (ftKB)		Act Btm (ftKB)	
14 1/2		0.0		323.0	
9 7/8		323.0		4,856.0	
7 7/8		4,856.0		8,544.0	
<b>PBTDs</b>					
Date		Depth (ftKB)			
		8,505.0			
<b>Tubing Strings</b>					
Run Date	Set Depth (ftKB)	Pull Date	Cut Pull Date	Depth Cut Pull (ft...)	
10/25/2002	8,404.0				
<b>Tubing Components</b>					
Top (ftKB)	Btm (ftKB)	Grade	OD (in)	ID (in)	Wt (lbs/ft)
0.0	8,404.0	J-55	2 3/8	1.995	4.70
<b>Casing Strings</b>					
<b>Conductor, 323.0ftKB</b>					
Run Date	Comment				
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
10 3/4	Casing Joints	322.0		10.050	13.0
10 3/4	Guide Shoe	323.0		10.050	0.0
<b>Surface, 4,856.0ftKB</b>					
Run Date	Comment				
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
7	Casing Joints	4,855.0		6.366	111.7
7	Guide Shoe	4,856.0		6.366	0.0
<b>Production, 8,524.0ftKB</b>					
Run Date	Comment				
OD (in)	Item Description	Btm (ftKB)	Jts	ID (in)	Wt (kips)
4 1/2	Casing Joints	8,523.0		4.000	98.9
4 1/2	Guide Shoe	8,524.0		4.000	0.0
<b>Cement</b>					
<b>Surface Casing Cement, casing, &lt;Start Date?&gt;</b>					
Description	Start Date	End Date	String	Type	
Surface Casing Cement			Surface, 4,856.0ftKB	casing	
<b>1, 2,218.0-4,856.0ftKB</b>					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	2,218.0	4,856.0			
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
<b>Conductor Cement, casing, &lt;Start Date?&gt;</b>					
Description	Start Date	End Date	String	Type	
Conductor Cement			Conductor, 323.0ftKB	casing	
<b>1, 0.0-323.0ftKB</b>					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	0.0	323.0	Yes		
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
<b>Production Casing Cement, casing, &lt;Start Date?&gt;</b>					
Description	Start Date	End Date	String	Type	
Production Casing Cement			Production, 8,524.0ftKB	casing	
<b>1, 7,526.0-8,524.0ftKB</b>					
Stage Number	Top (ftKB)	Bottom (ftKB)	Full Return?		
1	7,526.0	8,524.0			
Class	Amount (sacks)	Density (lb/gal)	Yield (ft³/sack)		
Mix H2O Ratio (gal/sack)		Yield (ft³/sack)			
Add	Amount	Amt Units	Conc Units	Conc	
<b>Jobs</b>					
Job Category	Primary Job Type		Start Date	End Date	
DEVELOPMENT	ORIG DRILL & COMPLETE		7/28/2002	10/25/2000	
Job Summary					



**PIONEER**  
NATURAL RESOURCES USA, INC.

October 8, 2008

Dustin K. Doucet  
Petroleum Engineer  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple – Suite 1210  
Salt Lake City, Utah 84114-5801

43 019 31390  
16S 23E 10

RE: Extended SI and TA Well Requirements for Wells on Fee or State Leases

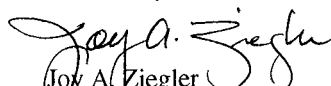
Dear Mr. Doucet,

In response to your letter dated September 3, 2008 and our telephone conversation of October 1, 2008 – Pioneer proposes the following actions:

1. Castlegate St 11-16H: Due to 320 spacing – the well has been SI so the 4-16 well could be produced – The recent hearing on September 24, 2008 reduced spacing to 2 wells per 160 acres in the NW/4 of Sec. 16 – Cause No. 220-08 – Plans are to produce well
- 2. State 21-10: Well remains SI due to no pipeline
3. Main Canyon St 8-2-15-22 – Writing procedure and securing funding to make necessary repairs and workover – will proceed after weather permits in the late spring of 2009.
4. Shimmin Trust 14-12-12-10 – Will P&A in spring of 2009 – when weather permits – Pioneer will place this well on their priority list to be the 1<sup>st</sup> well plugged
5. Shimmin Trust 3-14-12-10 – Will P&A in spring of 2009 – when weather permits
6. Shimmin Trust 1-12-12-10 – H2S present SI and locked out – Waiting on full development of field to deal with sour gas
7. Jensen 2-10-12-10 – Surface casing set, was not drilled – will add to our 2010 drilling program
8. Jensen 11-14 - Surface casing set, was not drilled – will add to our 2010 drilling program
9. Atchee #4-25-12-25 – Plan to P&A in 2010

If you have any questions, please contact the undersigned at 303-675-2663, Steve Schreck, Engineering Compliance Supervisor at 303-675-2782 or Bob Sencenbaugh, Staff Operations Engineer at 303-675-2650 – or the letterhead address.

Yours truly,

  
Joy A. Ziegler  
Senior Engineering Tech

RECEIVED  
OCT 09 2008

DIV. OF OIL, GAS & MINING

<div>STATE OF UTAH</div> <div>DEPARTMENT OF NATURAL RESOURCES</div> <div>DIVISION OF OIL, GAS, AND MINING</div>		<div>FORM 9</div> <div>5.LEASE DESIGNATION AND SERIAL NUMBER: ML-46112</div>	
<div>SUNDRY NOTICES AND REPORTS ON WELLS</div> <div>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</div>		<div>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</div> <div>7.UNIT or CA AGREEMENT NAME:</div>	
<div>1. TYPE OF WELL</div> <div>Gas Well</div>		<div>8. WELL NAME and NUMBER:</div> <div>STATE 21-10</div>	
<div>2. NAME OF OPERATOR:</div> <div>PIONEER NATURAL RESOURCES USA, INC</div>		<div>9. API NUMBER:</div> <div>43019313900000</div>	
<div>3. ADDRESS OF OPERATOR:</div> <div>1401 17th Street, Suite 1200 , Denver, CO, 80202</div>		<div>PHONE NUMBER:</div> <div>303 298-8100 Ext</div>	
<div>4. LOCATION OF WELL</div> <div>FOOTAGES AT SURFACE:</div> <div>0236 FNL 2590 FWL</div> <div>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</div> <div>Qtr/Qtr: NENW Section: 10 Township: 16.0S Range: 23.0E Meridian: S</div>		<div>9. FIELD and POOL or WILDCAT:</div> <div>HORSE POINT</div>	
		<div>COUNTY:</div> <div>GRAND</div>	
		<div>STATE:</div> <div>UTAH</div>	
<div>11.</div> <div>CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</div>			
<div>TYPE OF SUBMISSION</div>		<div>TYPE OF ACTION</div>	
<div><input type="checkbox"/> NOTICE OF INTENT</div> <div>Approximate date work will start:</div> <div><input checked="" type="checkbox"/> SUBSEQUENT REPORT</div> <div>Date of Work Completion:</div> <div>11/10/2009</div> <div><input type="checkbox"/> SPUD REPORT</div> <div>Date of Spud:</div> <div><input type="checkbox"/> DRILLING REPORT</div> <div>Report Date:</div>		<div><input type="checkbox"/> ACIDIZE</div> <div><input type="checkbox"/> CHANGE TO PREVIOUS PLANS</div> <div><input type="checkbox"/> CHANGE WELL STATUS</div> <div><input type="checkbox"/> DEEPEN</div> <div><input type="checkbox"/> OPERATOR CHANGE</div> <div><input type="checkbox"/> PRODUCTION START OR RESUME</div> <div><input type="checkbox"/> REPERFORATE CURRENT FORMATION</div> <div><input type="checkbox"/> TUBING REPAIR</div> <div><input type="checkbox"/> WATER SHUTOFF</div> <div><input type="checkbox"/> WILDCAT WELL DETERMINATION</div> <div><input type="checkbox"/> ALTER CASING</div> <div><input type="checkbox"/> CHANGE TUBING</div> <div><input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS</div> <div><input type="checkbox"/> FRACTURE TREAT</div> <div><input type="checkbox"/> PLUG AND ABANDON</div> <div><input type="checkbox"/> RECLAMATION OF WELL SITE</div> <div><input type="checkbox"/> SIDETRACK TO REPAIR WELL</div> <div><input type="checkbox"/> VENT OR FLARE</div> <div><input type="checkbox"/> SI TA STATUS EXTENSION</div> <div><input checked="" type="checkbox"/> OTHER</div> <div><input type="checkbox"/> CASING REPAIR</div> <div><input type="checkbox"/> CHANGE WELL NAME</div> <div><input type="checkbox"/> CONVERT WELL TYPE</div> <div><input type="checkbox"/> NEW CONSTRUCTION</div> <div><input type="checkbox"/> PLUG BACK</div> <div><input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION</div> <div><input type="checkbox"/> TEMPORARY ABANDON</div> <div><input type="checkbox"/> WATER DISPOSAL</div> <div><input type="checkbox"/> APD EXTENSION</div> <div>OTHER: MIT</div>	
<div>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</div> <div>Set CIBP @ 8048', please 1/4 bbl 15.8 Class "G" cmt on top, pressure test to 1000 psi &amp; held for 30 min. Monitored annulus &amp; bled pressure off. Test passed.</div> <div>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY November 23, 2009</div>			
<div>NAME (PLEASE PRINT)</div> <div>Joy A. Ziegler</div>		<div>PHONE NUMBER</div> <div>303 675-2663</div>	
<div>SIGNATURE</div> <div>N/A</div>		<div>TITLE</div> <div>Senior Engineering Tech</div>	
		<div>DATE</div> <div>11/24/2009</div>	

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X - Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**3/1/2010**

<b>FROM:</b> (Old Operator): N5155-Pioneer Natural Resources USA, Inc. 1401 17th St, Suite 1200 Denver, CO 80202  Phone: 1 (303) 675-2610	<b>TO:</b> (New Operator): N3655-Foundation Energy Management, LLC 14800 Landmark Blvd, Suite 2200 Dallas, TX 75254  Phone: 1 (918) 585-1650
--	---

CA No.				Unit:			
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE STATUS
SEE ATTACHED LIST							

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/18/2010
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/18/2010
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/23/2010
- a. Is the new operator registered in the State of Utah: Business Number: 7591070-0161
- 5a. (R649-9-2)Waste Management Plan has been received on: Requested
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 5/20/2010
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 6/10/2010
- Bond information entered in RBDMS on: 5/20/2010
- Fee/State wells attached to bond in RBDMS on: 5/20/2010
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB000427
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number B005552 & B005635
- b. The **FORMER** operator has requested a release of liability from their bond on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 6/10/2010

**COMMENTS:**



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

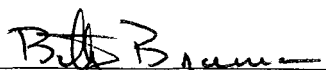
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Foundation Energy Management, LLC N 3655		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14800 Landmark Blvd. - Ste 220 CITY Dallas STATE TX ZIP 72254		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (918) 585-1650		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY:		9. API NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		10. FIELD AND POOL, OR WILDCAT:

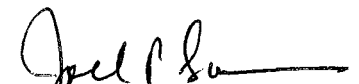
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 1/1/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

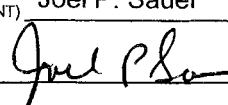
Foundation Energy Management, LLC. has acquired all of Pioneer Natural Resources USA, Inc.'s interest in the attached list of wells. Foundation Energy Management, LLC. assumed operations of these wells on March 1, 2010.

  
Betty Brownson  
Attorney-In-Fact  
Pioneer Natural Resources USA, Inc. N 5155

1401 17th Street - Suite 1200  
Denver, CO 80202  
Telephone: 303-675-2610  
Fax: 303-294-1255

  
Joel P. Sauer  
Vice President  
Foundation Energy Management, LLC.

14800 Landmark Blvd., Suite 220  
Dallas, Texas 75254  
UDOGM Bond No. ~~B005588~~ B005552 & B005635  
UT Trust Lands: B005499 BLM Bond No UTB000427  
Telephone: 918-585-1650  
Fax: 918-585-1660

NAME (PLEASE PRINT) Joel P. Sauer	TITLE Vice President
SIGNATURE 	APPROVED 5/20/2010 3-10-2010 RECEIVED
(This space for State use only)	MAR 18 2010
Earlene Russell Division of Oil, Gas and Mining Earlene Russell, Engineering Technician	
DIV. OF OIL, GAS & MINING	

Pioneer Natural Resources (N5155) to Foundation Energy Management (N3655)  
EFFECTIVE March 1, 2010

well_name	sec	tpw	rng	api	entity	lease	type	stat
ANDERSON FED 2-12-16-24	12	160S	240E	4301930136	583	Federal	GW	S
BRYSON CANYON FED 1-34-16-24	34	160S	240E	4301931077	9280	Federal	GW	S
BRYSON CANYON FED 2-34-16-24	34	160S	240E	4301931078	9285	Federal	GW	P
STATE 21-10	10	160S	230E	4301931390	13560	State	GW	S
SE FLANK UINTAH 1-28	28	150S	220E	4304730126	6121	Federal	OW	P
CROOKED CANYON 13-17-14-23	17	140S	230E	4304730619	8055	Federal	GW	P
WOLF POINT FED 3-11-15-21	11	150S	210E	4304730622	8065	Federal	GW	P
MAIN CANYON FED 11-10-15-23	10	150S	230E	4304730639	11605	Federal	GW	S
MAIN CYN FED 15-8-15-23	08	150S	230E	4304730674	11598	Federal	GW	S
MAIN CYN FED 2-8-15-23	08	150S	230E	4304730735	11599	Federal	GW	P
MAIN CYN FED 7-17-15-23	17	150S	230E	4304730736	11600	Federal	GW	P
TRAPP SPRINGS 6-35-14-23	35	140S	230E	4304730791	8081*	Federal	GW	P
TRAPP SPRINGS 1-25-14-23	25	140S	230E	4304730975	8081*	Federal	GW	S
MAIN CYN FED 8-7-15-23	07	150S	230E	4304730977	11601	Federal	GW	TA
TRAPP SPRINGS FED 3-26-14-23	26	140S	230E	4304731003	8081*	Federal	GW	S
WOLF POINT FED 6-14-15-21	14	150S	210E	4304731027	8072	Federal	GW	S
TRAPP SPRINGS 16-25-14-23	25	140S	230E	4304731041	8081*	Federal	GW	S
MAIN CYN FED 4-4-15-23	04	150S	230E	4304731043	11602	Federal	GW	P
BLACK HORSE 14-15-15-24	15	150S	240E	4304731045	8070	Federal	GW	S
WOLF POINT FED 7-15-15-21	15	150S	210E	4304731071	8073	Federal	GW	P
MAIN CANYON FED 6-3-15-23	03	150S	230E	4304731072	8245	Federal	GW	S
MAIN CANYON FED 6-8-15-23	08	150S	230E	4304731073	11606	Federal	GW	S
WOLF POINT FED 2-18-15-22	18	150S	220E	4304731091	8077	Federal	GW	S
MAIN CANYON FED 16-4-15-23	04	150S	230E	4304731111	11608	Federal	GW	S
DAVIS CANYON FED 7-1-13-26	07	130S	260E	4304731134	2840	Federal	GW	S
WOLF POINT FED 5-13-15-21	13	150S	210E	4304731137	8071	Federal	GW	P
PINE SPRINGS FED 12-23-14-22	23	140S	220E	4304734676	13616	Federal	GW	OPS
PINE SPRINGS ST 6-36-14-22	36	140S	220E	4304735555	14352	State	GW	P
PINE SPRINGS ST 15-36-14-22	36	140S	220E	4304736962	15410	State	GW	P
MAIN CANYON FED 23-7-15-23	07	150S	230E	4304737705	15699	Federal	GW	P
MAIN CYN FED 12-8-15-23	08	150S	230E	4304739428	16256	Federal	GW	P

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an**  
**abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.

MEAD FIELD OFFICE

6. If Indian, Allottee or Tribe Name

2010 MAR 22 AM 10:58

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator  
Foundation Energy Management, LLC

3a. Address  
14800 Landmark Blvd. - Suite 220  
Dallas, TX 75254

3b. Phone No. (include area code)  
918-575-1650

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
See Below

9. API Well No.

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

11. Country or Parish, State  
Grand Co., UT

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other: Change of Operator
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Foundation Energy Management, LLC. has acquired all of Pioneer Natural Resources USA, Inc.'s interest in the following wells. Foundation Energy Management, LLC. assumed operations of these wells on March 1, 2010.

- 1) API: 4301930136 - Anderson Fed 2-12-16-24 - SWSW, 12, T16S-R24E - Lease: UTU-04967C  
2) API: 4301931077 - Bryson Canyon Fed 1-34-16-24 - NESE, 34, T16S-R24E - Lease: UTU-52030  
3) API: 4301931078 - Bryson Canyon Fed 2-34-16-24 - SESW, 34, T16S-R24E - Lease: UTU-52030

UTB000427

Betty Brownson  
Attorney-In-Fact  
Pioneer Natural Resources USA, Inc.  
1401 17th Street - Suite 1200  
Denver, CO 80202  
Telephone: 303-675-2610  
Fax: 303-294-1255

Joel P. Sauer  
Vice President  
Foundation Energy Management, LLC.  
14800 Landmark Blvd., Suite 220  
Dallas, Texas 75254  
UT BLM: B005501  
Telephone: 918-585-1650  
Fax: 918-585-1660

RECEIVED

APR 14 2010

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Joel P. Sauer

Title Vice President

Signature

Date

3-10-2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

ACCEPTED

Division of Resources

Mead Field Office

Date

4/7/2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

cc: UDDGM 4/7/10

Conditions Attached

Foundation Energy Management, LLC  
Well No. Anderson Federal 2-12-16-24  
Lease UTU04967C  
Section 12, T16S, R24E  
Well Nos. Bryson Canyon Federal 1-34-16-24 and 2-34-16-24  
Lease UTU52030  
Section 34, T16S, R24E  
Grand County, Utah

#### CONDITIONS OF ACCEPTANCE

Acceptance of these applications does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Foundation Energy Management, LLC is considered to be the operator of the above wells effective March 1, 2010, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by UTB000427 (Principal – Foundation Energy Management, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 46112
2. NAME OF OPERATOR: Foundation Energy Management		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14800 Landmark Blvd Suite 2 CITY Dallas STATE TX ZIP 75254		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 236' FNL - 2590 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E		8. WELL NAME and NUMBER: HORSE POINT STATE 21-10 9. API NUMBER: 4301931390 10. FIELD AND POOL, OR WILDCAT: MAIN CANYON
		COUNTY: Grand STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy plans to isolate the Dakota formation behind the tubing with a packer and produce from the deeper Buckhorn and Brushy Basin formations up the tubing per the attached procedure.

**COPY SENT TO OPERATOR**

Date: 8.25.2010

Initials: KS

NAME (PLEASE PRINT) Kevin Mibb

TITLE Operations Manager

SIGNATURE Kevin Mibb

DATE 6/22/2010

(This space for State use only)

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**

DATE: 8/16/10 (See Instructions on Reverse Side)

BY: [Signature]

**RECEIVED**

**JUN 28 2010**

**DIV. OF OIL, GAS & MINING**

## **PROCEDURE:**

### **HORSE POINT STATE 21-10**

#### **OBJECTIVE**

1. Isolate shallower Dakota formation behind tubing with packer and attempt to flow deeper Buckhorn and Brushy Basin formations up tubing.
2. If well flows, install surface facilities connect to flow line for production; else, evaluate P&A.

#### **PROCEDURE**

##### **Pre-Job**

1. Notify state
2. Check to ensure dead men has been tested in last two years.
3. Hold safety meeting every morning.

##### **Job**

1. MIRU WO rig with power swivel
2. ND WH. NU BOP.
3. TOOH 2-3/8" tbg.
4. Attach 3-7/8" drill bit to 2-3/8" tbg.
5. TIH w/ tbg (251 jts) and use power swivel to drill out CIPB at 8034'. Circulate with KCl.
6. TOOH. Remove bit, attach Arrowset 1-X packer.
7. TIH 2-3/8" tbg, packer set at 8290' by one-quarter right rotation. (259 jts)
8. Swab well.
9. ND BOP. NU WH. RDMO.
10. Flow well into frac tank for 24-48 hours.

##### **Post-Job**

1. If well flows, install surface facilities and install pipeline to put well into production. If well does not flow, begin evaluation of procedure for P&A.
2. Monitor production for next 30 days if necessary.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

HORSE POINT STATE 21-10

9. API NUMBER:

4301931390

10. FIELD AND POOL, OR WILDCAT:

MAIN CANYON

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

2. NAME OF OPERATOR:

Foundation Energy Management

3. ADDRESS OF OPERATOR:

14800 Landmark Blvd Suite 2 CITY Dallas

STATE TX

ZIP 75254

PHONE NUMBER:

(970) 675-2034

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL - 2590 FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION



NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:



SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:



ACIDIZE



ALTER CASING



CASING REPAIR



CHANGE TO PREVIOUS PLANS



CHANGE TUBING



CHANGE WELL NAME



CHANGE WELL STATUS



COMMINGLE PRODUCING FORMATIONS



CONVERT WELL TYPE



DEEPEN



FRACTURE TREAT



NEW CONSTRUCTION



OPERATOR CHANGE



PLUG AND ABANDON



PLUG BACK



PRODUCTION (START/RESUME)



RECLAMATION OF WELL SITE



RECOMPLETE - DIFFERENT FORMATION



REPERFORATE CURRENT FORMATION



SIDETRACK TO REPAIR WELL



TEMPORARILY ABANDON



TUBING REPAIR



VENT OR FLARE



WATER DISPOSAL



WATER SHUT-OFF



OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy plans to isolate the Dakota formation behind the tubing with a packer and produce from the deeper Buckhorn and Brushy Basin formations up the tubing per the attached procedure.

**COPY SENT TO OPERATOR**

Date: 8.25.2010

Initials: KS

NAME (PLEASE PRINT) Kevin Mibb

TITLE Operations Manager

SIGNATURE

*Kevin Mibb*

DATE 6/22/2010

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 8/16/10

BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

JUN 28 2010

DIV. OF OIL, GAS & MINING



## **PROCEDURE:**

### **HORSE POINT STATE 21-10**

#### **OBJECTIVE**

1. Isolate shallower Dakota formation behind tubing with packer and attempt to flow deeper Buckhorn and Brushy Basin formations up tubing.
2. If well flows, install surface facilities connect to flow line for production; else, evaluate P&A.

#### **PROCEDURE**

##### **Pre-Job**

1. Notify state
2. Check to ensure dead men has been tested in last two years.
3. Hold safety meeting every morning.

##### **Job**

1. MIRU WO rig with power swivel
2. ND WH. NU BOP.
3. TOOH 2-3/8" tbg.
4. Attach 3-7/8" drill bit to 2-3/8" tbg.
5. TIH w/ tbg (251 jts) and use power swivel to drill out CIPB at 8034'. Circulate with KCl.
6. TOOH. Remove bit, attach Arrowset 1-X packer.
7. TIH 2-3/8" tbg, packer set at 8290' by one-quarter right rotation. (259 jts)
8. Swab well.
9. ND BOP. NU WH. RDMO.
10. Flow well into frac tank for 24-48 hours.

##### **Post-Job**

1. If well flows, install surface facilities and install pipeline to put well into production. If well does not flow, begin evaluation of procedure for P&A.
2. Monitor production for next 30 days if necessary.



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

April 14, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 9047

Mr. Kevin Mibb  
Foundation Energy Management LLC  
14800 Landmark Blvd, Ste 220  
Dallas, TX 75254

43 019 31390  
State 21-10  
16S 23E 10

Subject: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases**

Dear Mr. Mibb:

As of January 2011, Foundation Energy Management LLC (Foundation) has one (1) State Lease Well (see Attachment A) that is in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months requires the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (Division) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

The above well has a history of SI/TA status that dates beyond the takeover by Foundation from Pioneer Natural Resources (Pioneer). The Division had several communications with Pioneer concerning this well and its SI/TA status. Pioneer had requested extension to allow time to evaluate whether the well would flow or not, pending possible plugging. Extension was given to Pioneer on March 25, 2009, valid thru July 1, 2009, for evaluation. Foundation began the operator change process on January 1, 2010, and assumed full responsibility of the well on March 1, 2010. It was made very clear to Foundation of the SI/TA requirements for this well and its previous condition. Foundation agreed to assume all obligations under the current status of this well when ownership was acquired. To date the Division has not received required information from Foundation to keep above mentioned well in compliance with aforementioned rules.

Please submit Foundations plans regarding the well along with the required information showing good cause and integrity for extended SI/TA status within 30 days of this notice or further actions will be initiated.



Page 2

Foundation Energy Management LLC

April 14, 2011

For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).


Please note that the Divisions preferred method for showing well integrity is by MIT

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js

Enclosure

cc: Compliance File

Well File

LaVonne Garrison, SITLA

## ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
2 <sup>ND</sup> NOTICE				
1	STATE 21-10	43-019-31390	ML-46112	8 Years 3 Months
2	UTC0 FEE 23C-25-12-25	43-047-38252	FEE	4 Years 2 Months



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Foundation Energy Management, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14800 Landmark Blvd, Suite 220 CITY Dallas STATE TX ZIP 75254		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (918) 585-1650		8. WELL NAME and NUMBER: State 21-10
10. FIELD AND POOL, OR WILDCAT: Horse Point		9. API NUMBER: 4301931390
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0236 FNL 2590 FWL COUNTY: Grand QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E S STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 5/18/2011	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: MIT
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Loaded backside with 20 BBLS water. Well would not pressure test. Well Failed MIT.

Plan to get rig on as soon as possible to set packer and test casing to achieve a successful MIT. Will submit form 9 with results when work is completed. Will work to have completed as soon as possible. If you have any questions, please contact Matt Stark, Operations Engineer, at (303) 861-0504 x 204.

NAME (PLEASE PRINT) <u>Matt Stark</u>	TITLE <u>Operations Engineer</u>
SIGNATURE <u></u>	DATE <u>5/20/2011</u>

(This space for State use only)

RECEIVED

MAY 24 2011

DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 19, 2011

CERTIFIED MAIL NO.: 7011 0110 0001 3568 1403

Mr. Kevin Mibb  
Foundation Energy Management LLC  
14800 Landmark Blvd, Ste 220  
Dallas, TX 75254

43 019 31390  
State 21-10  
116S 23E 10

Subject: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Mibb:

The Division of Oil, Gas and Mining (Division) is in receipt of your sundry dated June 21, 2011 (received by the Division on June 23, 2011) for the State 21-10 well that is currently shut-in or temporarily abandoned (SI/TA) and in non-compliance status as operated by Foundation Energy Management, LLC (Foundation).

The Division is unable to grant approval for extended SI/TA status on the State 21-10 well due to lack of evidence showing well integrity. The chart submitted does not correlate with the sundry description. The sundry states that the well was pressured up to 360 psi for 20 minutes and fell off to 340 psi. Whereas the chart states the well was pressured up to 500 psi for 20 minutes and showed falling off. The chart segments do not represent the stated pressures.

The pressure falling off could indicate that there is a hole in the casing therefore moving out to formation. This is further emphasized by the fact that the well was only pressured up to 360 psi and started to stabilize at 340 psi which is nearly equal to the surface shoe frac gradient of 323 feet at 1 psi/ft. This also indicates the possibility of movement by the equalization of pressures at the shoe.

Foundation also failed to contact a Division representative to be present at time of MIT which would have helped in verification of pressures charted. In a sundry dated May 20, 2011, Foundation stated that this well would not pressure test and consequently failed MIT. This further suggests that a hole may exist in the casing.

The Divisions preferred method of demonstrating well integrity is to perform an MIT pressured up to 1000 psi.

**When requesting extended SI/TA status please include the following:**

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

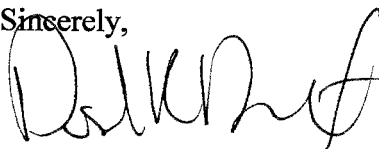
Please note that the Divisions preferred method for showing well integrity is by MIT

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/JP/js  
Enclosure  
cc: Compliance File  
Well File  
LaVonne Garrison, SITLA



# ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
2 <sup>ND</sup> NOTICE				
1	State 21-10	43-019-31390	State	8 Years 3 Months

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:  6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Foundation Energy Management, LLC</b>		8. WELL NAME and NUMBER: <b>State 21-10</b>
3. ADDRESS OF OPERATOR: 14800 Landmark Blvd, Suite 220      CITY <b>Dallas</b> STATE <b>TX</b> ZIP <b>75254</b>		9. API NUMBER: <b>4301931390</b>
4. LOCATION OF WELL  FOOTAGES AT SURFACE: <b>0236 FNL 2590 FWL</b>  QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NENW 10 16S 23E S</b>		10. FIELD AND POOL, OR WILDCAT: <b>Horse Point</b>  COUNTY: <b>Grand</b>  STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  <hr/> <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>6/14/2011</b>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <b>MIT</b>

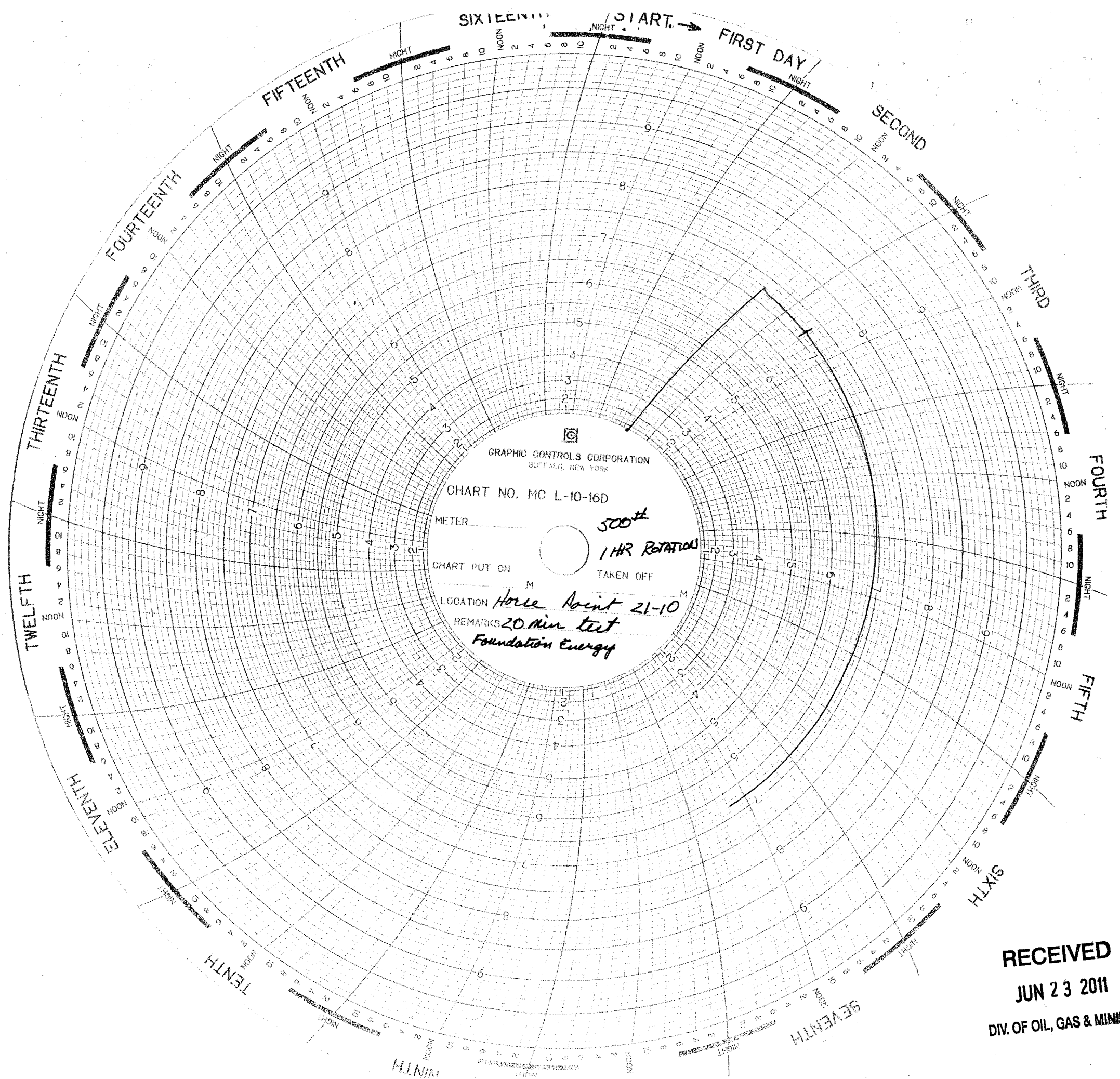
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Set packer at 8066'. Pump 43 bbls water to fill annulus. Pressure tested to 360 psi. In 20 minutes, the pressure fell 20 psi to 340 psi. Casing held and passed MIT. Tested with chart. Chart attached on next page.

NAME (PLEASE PRINT) <u>Matt Stark</u>	TITLE <u>Operations Engineer</u>
SIGNATURE <u><i>Matt Stark</i></u>	DATE <u>6/21/2011</u>

(This space for State use only)

**RECEIVED**  
**JUN 23 2011**



RECEIVED  
JUN 23 2011  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. LEASE DESIGNATION AND SERIAL NUMBER:

ML-46112

8. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

State 21-10-16-23

9. API NUMBER:

4301931390

10. FIELD AND POOL, OR WILDCAT:

Horse Point

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Foundation Energy Management, LLC

3. ADDRESS OF OPERATOR:

14800 Landmark Blvd.

CITY Dallas

STATE TX

ZIP 75254

PHONE NUMBER:

(303) 861-0504

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL & 2590' FWL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>1/12/2012</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached procedure and well bore diagram.

COPY SENT TO OPERATOR

Date: 12-12-2011

Initials: LS

NAME (PLEASE PRINT) Matt Stark

TITLE Operations Engineer

SIGNATURE

DATE 10/14/2011

APPROVED BY THE STATE  
(This space for State use only)  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 12/7/2011

BY: [Signature]

(See Instructions on Reverse Side)

RECEIVED

OCT 18 2011

DIV. OF OIL, GAS & MINING

\*See conditions of Approval (Attached)

### Horse Point 21-10 Proposed Plugging Procedure

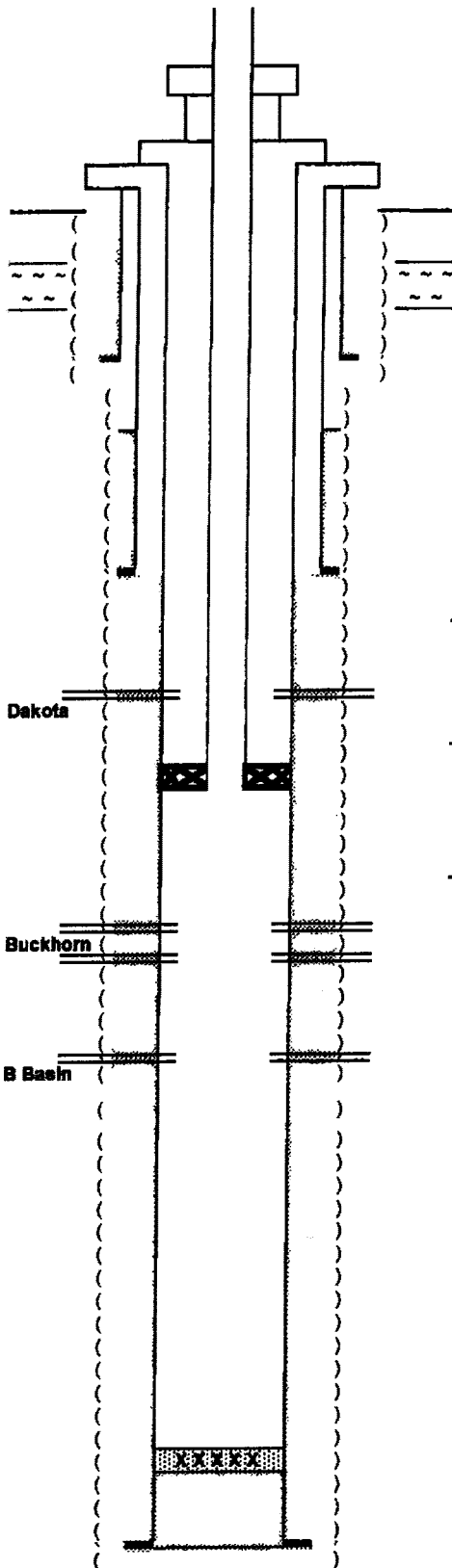
TD 8544', PBTD 8505', 10 3/4" @ 338', 7" @ 4856', 4 1/2" @ 8524, USDW @ 3500'.  
Packer on EOT set at 8290'

1. MIRU
2. NDWH, NUBOP
3. Fill hole with produced water
4. Release PKR. POOH w/tubing and PKR (inspect for holes)
5. RIH w/tubing to PBTD
6. Set cement plug from 8500' to 8100' (33sx)
7. POOH w/tubing
8. RU Wireline
9. Perf squeeze holes @ 3550 in 4 1/2" csg
11. RIH w/tubing
10. Squeeze and Set cement plug 3450-3550' in 4 1/2" and 7" csg (21sx)  
(50' above and below USDW @ 3500')
11. POOH w/ tubing
12. RU Wireline
13. Perf squeeze holes @ 350'
14. Circulate and fill w/cement all annular space to surface
15. Cut Wellhead, Weld ID Plate
16. RDMO

RECEIVED  
OCT 18 2011  
DIV. OF OIL, GA

# WELLBORE DIAGRAM

Operator: Foundation Energy  
Field Name: Cedar Mountain  
Well Name: Horse Point 21-10  
Location: 236' FNL & 2590' FWL (NE NW) Sec. 10-T16S-R23E  
County: Grand  
API #: 4301931390



GL: 8010'

KB: 8025'

Spud Date: 7/28/02

Completion Date: 10/25/02

Surface Casing: 10-3/4", 40.66, J-55 @ 338'  
w/250 sx Class G cmt

## Original Completion:

### Formation:

### Perforations:

Dakota 8216'-23' (3 SPF)

Buckhorn 8304'-07', 8313'-19' (3 SPF)

Packer at 8290'

Brushy Basin 8380'-88' (3 SPF)

## DST's & Cores:

Tubing: 2-3/8", 4.75, J-55 @ 8404'

Packer:

PBTD: 8505'

Intermediate Casing: 7", 23.5, J-55 @ 4556'  
w/440 sx HI-Lift cmt followed by  
340 sx Class G cmt

Production Casing: 4-1/2", 11.65, N-80 @ 8524'  
w/175 sx 50-50 Pozmix cmt

TD: 8544'

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OCT 18 2011

DIV. OF OIL, GAS & MINING

## INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - reperforating the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, **Form 8, Well Completion or Recompletion Report and Log** must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to: C/O Dustin Doucet,

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

## ***CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL***

Well Name and Number: State 21-10  
API Number: 43-019-31390  
Operator: Foundation Energy Management, LLC  
Reference Document: Original Sundry Notice dated October 14, 2011,  
received by DOGM on October 18, 2011.

### Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All balanced plugs shall be tagged to ensure they remain at the depth specified by the proposal.
3. All annuli shall be cemented from a minimum depth of 100' to the surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet  
Petroleum Engineer

December 7, 2011

Date





## Wellbore Diagram

API Well No: 43-019-31390-00-00

Permit No:

Well Name/No: STATE 21-10

Company Name: FOUNDATION ENERGY MANAGEMENT, LLC

Location: Sec: 10 T: 16S R: 23E Spot: NENW

Coordinates: X: 640553 Y: 4366527

Field Name: HORSE POINT

County Name: GRAND

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	323	14.5		
SURF	323	10.75	40.5	323
HOL2	4856	9.875		
HOL3	8524	7.875 6 7/8"		
II	4856	7	23	4856
PROD	8524	4.5	11.6	8524
T1	8544	2.375		

Capacity (F/cf)

11.459

7.292  
2.6575  
9.043  
3.526

Cement from 323 ft. to surface

Hole: 14.5 in. @ 323 ft.

Cement from 4856 ft.

350' Surface: 10.75 in. @ 323 ft.

Plug # 3

$$\frac{W}{350'} / (1.15) (11.459) = 275x$$

$$\frac{7" \times 4\frac{1}{2}"}{350'} / (1.15) (9.043) = 345x$$

## Cement Information

Est. 7" cmt to surf.  
if no cmt to surf.

$$\frac{9\frac{7}{8} \times 7"}{350'} / (1.15) (2.6575) = 95x$$

$$\frac{10\frac{3}{4} \times 7"}{323'} / (1.15) (3.526) = 80x$$

3450

perf @ 3550'

Plug # 2

$$\frac{W}{100'} / (1.15) (11.459) = 85x$$

$$\frac{9\frac{7}{8} \times 7"}{100'} / (1.15) (9.043) = 105x$$

Hole: 9.875 in. @ 4856 ft.

Cement from 8524 ft.

Intermediate: 7 in. @ 8524 ft.

## Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
8216	8388			

## Formation Information

Formation	Depth
BMSW	3500
BUKTG	4150
CSLGT	4410
MNCS	4595
FRTR	7586
DKTA	8075
CDMTN	8230
MRSN	8315

Plug # 1

$$(330x) / (1.15) (11.459) = 434'$$

TOC @ 8100' ✓ OK.

Hole: 7.875 in. @ 8524 ft.

Tubing: 2.375 in. @ 8544 ft.

Production: 4.5 in. @ 8524 ft.

Hole: Unknown

TD: 8544 TVD: 8544 PBD: 8505

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. LEASE DESIGNATION AND SERIAL NUMBER:

ML-46112

8. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

State 21-10-16-23

9. API NUMBER:

4301931390

10. FIELD AND POOL, OR WILDCAT:

Horse Point

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Foundation Energy Management, LLC

3. ADDRESS OF OPERATOR:

14800 Landmark Blvd.

CITY

Dallas

STATE

Tx

ZIP

75254

PHONE NUMBER:

(303) 861-0504

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL & 2590' FWL

COUNTY: Grand

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>1/12/2012</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached procedure and well bore diagram.

COPY SENT TO OPERATOR

Date: 12-13-2011

Initials: KS

NAME (PLEASE PRINT) Matt Stark

TITLE Operations Engineer

SIGNATURE

*Matt Stark*

DATE 10/14/2011

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 12/7/2011

BY: [Signature]

(See Instructions on Reverse Side)

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OCT 18 2011

DIV. OF OIL, GAS & MINING

\*See Conditions of Approval (Attached)

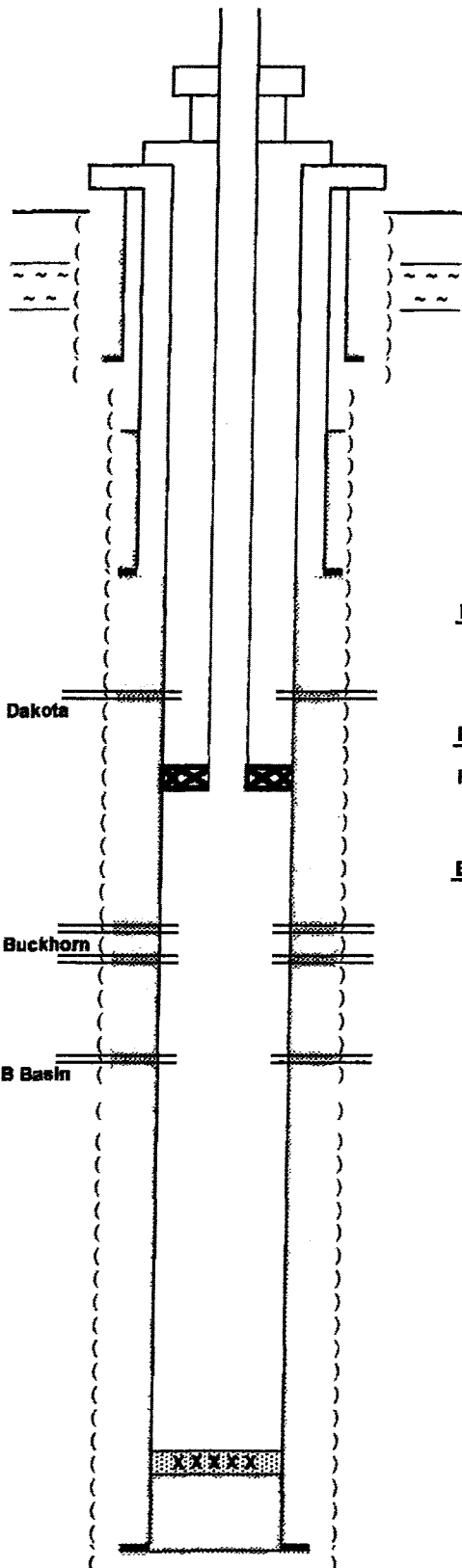
### Horse Point 21-10 Proposed Plugging Procedure

TD 8544', PBTD 8505', 10 3/4" @ 338', 7" @ 4856', 4 1/2" @ 8524, USDW @ 3500'.  
Packer on EOT set at 8290'

1. MIRU
2. NDWH, NUBOP
3. Fill hole with produced water
4. Release PKR. POOH w/tubing and PKR (inspect for holes)
5. RIH w/tubing to PBTD
6. Set cement plug from 8500' to 8100' (33sx)
7. POOH w/tubing
8. RU Wireline
9. Perf squeeze holes @ 3550 in 4 1/2" csg
11. RIH w/tubing
10. Squeeze and Set cement plug 3450-3550' in 4 1/2" and 7" csg (21sx)  
(50' above and below USDW @ 3500')
11. POOH w/ tubing
12. RU Wireline
13. Perf squeeze holes @ 350'
14. Circulate and fill w/cement all annular space to surface
15. Cut Wellhead, Weld ID Plate
16. RDMO

RECEIVED  
OCT 18 2011  
DIV. OF OIL, GA

# WELLBORE DIAGRAM



Operator: Foundation Energy  
Field Name: Cedar Mountain  
Well Name: Horse Point 21-10  
Location: 236' FNL & 2590' FWL (NE NW) Sec. 10-T16S-R23E  
County: Grand  
API #: 4301931390

GL: 8010'  
KB: 8025'  
Spud Date: 7/28/02  
Completion Date: 10/25/02  
Surface Casing: 10-3/4", 40.5#, J-55 @ 338'  
w/250 sx Class G cmt

## Original Completion:

Formation:	Perforations:
<u>Dakota</u>	<u>8216'-23' (3 SPF)</u>
<u>Buckhorn</u>	<u>8304'-07', 8313'-19' (3 SPF)</u>
Packer at 8290'	
<u>Brushy Basin</u>	<u>8380'-88' (3 SPF)</u>

DST's & Cores: \_\_\_\_\_  
Tubing: 2-3/8", 4.7#, J-55 @ 8404'  
Packer: \_\_\_\_\_  
PBTD: 8505'  
Intermediate Casing: 7", 23#, J-55 @ 4656'  
w/440 sx HI-Lift cmt followed by  
340 sx Class G cmt  
Production Casing: 4-1/2", 11.6#, N-80 @ 8524'  
w/175 sx 50-50 Pozmix cmt  
TD: 8544'

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OCT 18 2011

DIV. OF OIL, GAS & MINING

## INSTRUCTIONS

This form shall be submitted by the operator to show the intention and/or completion of the following:

- miscellaneous work projects and actions for which other specific report forms do not exist;
- all other work and events as identified in section 11, Type of Action, or as required by the Utah Oil and Gas Conservation General Rules, including:
  - minor deepening of an existing well bore,
  - plugging back a well,
  - recompleting to a different producing formation within an existing well bore (intent only),
  - reperfoming the current producing formation,
  - drilling a sidetrack to repair a well,
  - reporting monthly the status of each drilling well.

This form is not to be used for proposals to

- drill new wells,
- reenter previously plugged and abandoned wells,
- significantly deepen existing wells below their current bottom-hole depth,
- drill horizontal laterals from an existing well bore,
- drill hydrocarbon exploratory holes such as core samples and stratigraphic tests.

Use Form 3, Application for Permit to Drill (APD) for such proposals.

**NOTICE OF INTENT** - A notice of intention to do work on a well or to change plans previously approved shall be submitted in duplicate and must be received and approved by the division before the work is commenced. The operator is responsible for receipt of the notice by the division in ample time for proper consideration and action. In cases of emergency, the operator may obtain verbal approval to commence work. Within five days after receiving verbal approval, the operator shall submit a Sundry Notice describing the work and acknowledging the verbal approval.

**SUBSEQUENT REPORT** - A subsequent report shall be submitted to the division within 30 days of the completion of the outlined work. Specific details of the work performed should be provided, including dates, well depths, placement of plugs, etc.

**WELL ABANDONMENT** - Proposals to abandon a well and subsequent reports of abandonment should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, and method of parting of any casing, liner, or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

In addition to any Sundry Notice forms submitted, Form 8, Well Completion or Recompletion Report and Log must be submitted to the division to report the results of the following operations:

- completing or plugging a new well,
- reentering a previously plugged and abandoned well,
- significantly deepening an existing well bore below the current bottom-hole depth,
- drilling horizontal laterals from an existing well bore,
- drilling hydrocarbon exploratory holes such as core samples and stratigraphic tests,
- recompleting to a different producing formation.

Send to: C/O Dustin Doucet

Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

## ***CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL***

Well Name and Number: State 21-10  
API Number: 43-019-31390  
Operator: Foundation Energy Management, LLC  
Reference Document: Original Sundry Notice dated October 14, 2011,  
received by DOGM on October 18, 2011.

### Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All balanced plugs shall be tagged to ensure they remain at the depth specified by the proposal.
3. All annuli shall be cemented from a minimum depth of 100' to the surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet  
Petroleum Engineer

December 7, 2011

Date

## Wellbore Diagram

API Well No: 43-019-31390-00-00

Permit No:

Well Name/No: STATE 21-10

Company Name: FOUNDATION ENERGY MANAGEMENT, LLC

Location: Sec: 10 T: 16S R: 23E Spot: NENW

Coordinates: X: 640553 Y: 4366527

Field Name: HORSE POINT

County Name: GRAND

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/cf)
HOL1	323	14.5			
SURF	323	10.75	40.5	323	
HOL2	4856	9.875			
HOL3	8524	<del>7.875</del> 6 1/8"			
II	4856	7	23	4856	
PROD	8524	4.5	11.6	8524	11.459
T1	8544	2.375			

Cement from 323 ft. to surface

Hole: 14.5 in. @ 323 ft.

Cement from 4856 ft.

Surface: 10.75 in. @ 323 ft.

Plug # 3

$$\frac{100}{350'} \times (1.15) \times (11.459) = 275x$$

$$\frac{7" \times 4\frac{1}{2}"}{350'} \times (1.15) \times (9.043) = 345x$$

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
II	4856	Est 0	HC	780
PROD	8524	Est 6900'	PC	175
SURF	323	0	G	250

Est. 7" cmt to surf.  
if no cmt to surf.

615x total min.

$$\frac{9\frac{7}{8} \times 7"}{29'} \times (1.15) \times (2.6575) = 95x$$

$$\frac{10\frac{3}{4} \times 7"}{323'} \times (1.15) \times (3.526) = 80x$$

3450

895x add'l reqd.

Plug # 2

$$\frac{100}{100'} \times (1.15) \times (11.459) = 85x$$

$$\frac{100}{100'} \times (1.15) \times (9.043) = 105x$$

Hole: 9.875 in. @ 4856 ft.

Cement from 8524 ft.

Intermediate: 7 in. @ 4856 ft.

## Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
8216	8388			

## Formation Information

Formation	Depth
BMSW	3500
BUKTG	4150
CSLGT	4410
MNCS	4595
FRTR	7586
DKTA	8075
CDMTN	8230
MRSN	8315

Plug # 1

$$(330x) \times (1.15) \times (11.459) = 434'$$

TOC @ 8100' ✓ OK.

Hole: 7.875 in. @ 8524 ft.

Tubing: 2.375 in. @ 8544 ft.

Production: 4.5 in. @ 8524 ft.

Hole: Unknown

TD: 8544 TVD: 8544 PBD: 8505



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 29, 2014

Certified Mail #7003 2260 0003 2358 6878

## DIVISION WELL PLUGGING ORDER

Matt Stark  
Foundation Energy Management, LLC  
1801 Broadway, Suite 408  
Denver, Colorado 80202

16S 23E 10

Subject: Division Order to Plug and Abandon the State 21-10 well operated by Foundation Energy Management, LLC

Dear Mr. Stark:

The Division of Oil Gas and Mining ("Division") denied extended shut-in and temporary abandonment for the State 21-10 (API 43-019-31390) well in its letter dated September 19, 2011. The request was denied due to lack of evidence showing well integrity. The MIT chart submitted did not correlate with the sundry description. The well was only pressured up to 500 psi rather than the 1000 psi preferred by the Division for MITs. The MIT chart also shows pressure decline during the 20 minute test indicating a possible hole in the casing. Foundation Energy Management, LLC ("Foundation") also failed to notify the Division prior to the MIT, subsequently a division representative did not witness the test.

Foundation submitted a notice of intent plugging sundry, dated October 14, 2011, for the State 21-10 well that was approved by the Division on December 7, 2011 with an attached Conditions of Approval letter. As of the date of this Order, Foundation has not plugged and abandoned the State 21-10 well.

The Division is hereby ordering Foundation to plug and abandon the State 21-10 well by March 29, 2014. Division authority to order the well plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The well shall be plugged in accordance with R649-3-24.

Foundation has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.




Page 2  
Foundation Energy Management  
January 29, 2014

In the event Foundation does not plug and abandon the subject well the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,

  
Clinton Dworshak  
Compliance Manager

CLD/js

cc: John Rogers, Oil and Gas Associate Director  
Steve Alder, Assistant Attorney General  
Dustin Doucet, Petroleum Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\Enforcement

RECEIVED

FEB 26 2014

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS &amp; MINING FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-46112**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:

State 21-10-16-23

2. NAME OF OPERATOR:

Foundation Energy Management

9. API NUMBER:

4301931390

3. ADDRESS OF OPERATOR:

16000 North Dallas Parkw. city Dallas

STATE TX

ZIP 75248

PHONE NUMBER:

(918) 526-5592

10. FIELD AND POOL, OR WILDCAT:

Horse Point

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 236' FNL &amp; 2590' FWL

COUNTY: Grand

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 10 16S 23E

STATE:

UTAH

## 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>5/01/14</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input checked="" type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Foundation Energy Management would like to temporarily abandon the State 21-10 and later return the well back to production per the following time line.

The State 21-10 will be MIT'd by the end of May, 2014.

The well then will be returned to production, repaired, or PA'd by the end of July, 2014.

COPY SENT TO OPERATOR

Date: 2.27.2014Initials: K5NAME (PLEASE PRINT) Ryan EiseleTITLE Operations EngineerSIGNATURE [Signature]DATE 2/13/2014

(This space for State use only)

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**

DATE: 2/27/2014BY: [Signature]

\* IF MIT Fails, immediate remedial work will be necessary



FOUNDATION  
ENERGY MANAGEMENT

15 East 5th Street; Suite 1200  
Tulsa, OK 74103  
(O) 918.526.5500 (F) 918.585.1660  
www.foundationenergy.com

February 26, 2014

RECEIVED

FEB 26 2014

DIV. OF OIL, GAS & MINING

Mr. Clinton Dworshak  
Compliance Manager  
State of Utah, Department of Natural Resources  
1594 W. N. Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Re: Division Order to Plug and Abandon the State 21-10 well operated by Foundation Energy Management, LLC

Dear Mr. Dworshak:

Following your letter of January 29, 2014, and the telephone conversation with you the second week of February, 2014, Foundation Energy Management ("FEM") submitted the enclosed Sundry to the State.

The Sundry states that FEM will MIT the State 21-10 (API 43-019-31390) by May 31, 2014, and return the well to production or PA'd by July 31, 2014.

If you have any questions regarding the Sundry, please contact Rachel Eisterhold, Regulatory Compliance, at (918) 526-5592 or Matt Stark, Superintendent, at (303) 861-0504 x 204.

Sincerely,



Matt Stark  
Superintendent

/RE

Enclosure

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-46112

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Horse Point 21-10

9. API NUMBER:

4301931390

10. FIELD AND POOL, OR WILDCAT:

Horse Point

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Foundation Energy Management, LLC

3. ADDRESS OF OPERATOR:

16000 Dallas Pkwy, #875

CITY

Dallas

STATE

TX

ZIP

75248

PHONE NUMBER:

(918) 526-5546

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

S10, T.116S, R. 23E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT  
(Submit in Duplicate)  
Approximate date work will start:

☒ SUBSEQUENT REPORT  
(Submit Original Form Only)  
Date of work completion:

4/15/2014

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: MIT

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Horse Point 21-10 was pressure tested down the casing to 967 psi. The pressure fell to 917 psi at which point is held more constant to 915 psi over a 30 minute interval. The pressure drop is attributed to the water temperature being different from that of the well bore.

RECEIVED

MAY 30 2014

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Ryan Eisele

TITLE Foreman

SIGNATURE

*Ryan Eisele*

DATE 5/9/2014

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

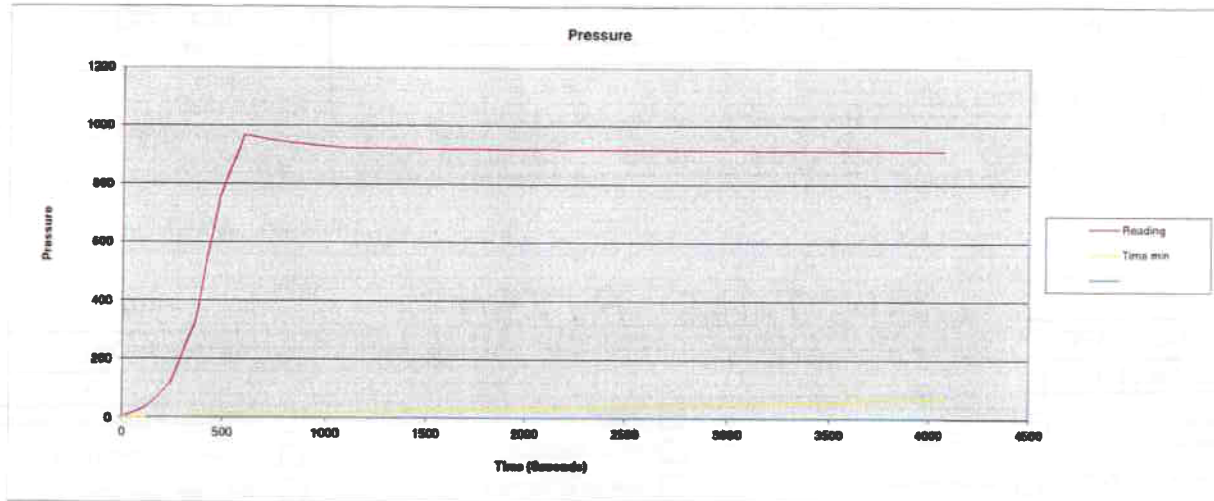
## Data Collection Report

### Gauge Information

Serial number 253804  
Model 3KPSIXP2I  
Message store \*\*\*\*\*  
Units PSI

### Run Info

Start time 4/15/14 10:36:57 AM  
Stop time 4/15/14 11:45:46 AM  
Logging interval 120



Accepted by the  
Utah Division of  
Oil, Gas and Mining  
For Record Only

Serial number 253804  
 Model 3KPSIXP2I  
 Units PSI  
 Firmware version D0018 Message store -----  
 Run index 8  
 Logging Type Actual  
 Logging Interval 120  
 Start time 4/15/2014 10:36  
 Stop time 4/15/2014 11:45

Time	Reading	Time min	Event	Event Data
0		0	Battery OK	
0		0	Logging Interval, 120	
0		0	Tare, -4.1	
0	0	0		
120	34.7	2	2	
240	115.3	4	2	
360	317.4	6	2	
480	749.3	8	2	
600	967.6	10	2	
720	951.7	12	2	
840	940.1	14	2	
960	931.3	16	2	
1080	925.4	18	2	
1200	922.9	20	2	
1320	921.7	22	2	
1440	920.9	24	2	
1560	920.4	26	2	
1680	919.9	28	2	
1800	919.4	30	2	
1920	919.1	32	2	
2040	918.7	34	2	
2160	918.3	36	2	
2280	918	38	2	
2400	917.7	40	2	
2520	917.5	42	2	
2640	917.3	44	2	
2760	917.1	46	2	
2880	916.8	48	2	
3000	916.6	50	2	
3120	916.4	52	2	
3240	916.2	54	2	
3360	916	56	2	
3480	915.8	58	2	
3600	915.7	60	2	
3720	915.5	62	2	
3840	915.3	64	2	
3960	915.2	66	2	
4080	915	68	2	

RECEIVED  
 MAY 30 2014  
 DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 10, 2015

Certified Mail #7011 2970 0001 8828 1016

## Second Division Well Plugging Order

Mr. Matt Stark  
Foundation Energy Management, LLC  
15 East 5<sup>th</sup> Street, Suite 1200  
Tulsa, Oklahoma 74013

10 16S 23E

Subject: Second Division Order to Plug and Abandon the State 21-10 well operated by Foundation Energy Management, LLC

Dear Mr. Stark:

The Division of Oil, Gas and Mining ("Division") issued Foundation Energy Management, LLC ("Foundation") a Division Order, dated 1/29/2014, to plug and abandon the State 21-10 well (API # 43-019-31390).

Foundation responded to the Order with a sundry and letter, dated 2/13/14, stating a mechanical integrity test (MIT) would be completed by May 31, 2014 and the well would either be returned to production or plugged and abandoned by the end of July 2014. The sundry was approved by the Division on 2/27/14. Foundation submitted a subsequent sundry, dated 5/9/2014, showing that a MIT had been performed on 4/15/2014.

During a phone conversation with the Division on November 18, 2014, Foundation stated their intent to flow test the well and would follow the test with a subsequent sundry. To date, the Division has not received any information showing that Foundation met its request to flow test the well.

Therefore, the Division is ordering Foundation to plug and abandon the State 21-10 well immediately. Division authority to order the well plugged is found in the Oil and Gas Conservation General Rule 649-3-36. The well shall be plugged in accordance with R649-3-24.

Foundation has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.



Page 2  
Foundation Energy Management  
February 10, 2015

In the event Foundation does not plug and abandon the subject well, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this Order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CLD/js

cc: John Rogers, Oil and Gas Associate Director  
Steve Alder, Assistant Attorney General  
Dustin Doucet, Petroleum Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well File



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-46112
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> FOUNDATION ENERGY MANAGEMENT, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 16000 N Dallas Parkway Ste 875 , Dallas, TX, 75248		<b>8. WELL NAME and NUMBER:</b> STATE 21-10
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0236 FNL 2590 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: NENW Section: 10 Township: 16.0S Range: 23.0E Meridian: S		<b>9. API NUMBER:</b> 43019313900000
<b>PHONE NUMBER:</b> 918 585-1650 Ext 212		<b>9. FIELD and POOL or WILDCAT:</b> HORSE POINT
<b>COUNTY:</b> GRAND		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/28/2015	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  On 9/28/2015 the Horse Point State 21-10 was turned to sales at an initial rate of 200 Mcfd.		
Accepted by the Utah Division of Oil, Gas and Mining <b>FOR RECORD ONLY</b> December 08, 2015		
<b>NAME (PLEASE PRINT)</b> Rachel Grant	<b>PHONE NUMBER</b> 918 526-5592	<b>TITLE</b> Sr. HSE/Regulatory Tech
<b>SIGNATURE</b> N/A	<b>DATE</b> 12/4/2015	